

"CAS"

DEBTOR: Castle Arch Smryna, LLC

**MONTHLY OPERATING REPORT  
CHAPTER 11**

CASE NUMBER 11-35246

**Form 2-A  
COVER SHEET**

For Period Ending 4/30/2012

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 checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input checked="" 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: 5/21/12

Print Name: Glen A Martinsen

Signature: 

Title: Principal Accounting Officer

DEBTOR: Castle Arch Smryna, LLC CASE NO: 11-35246

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**  
 For Period: 4/1/12 to 4/30/12

**CASH FLOW SUMMARY**

	<u>Current Month</u>		<u>Accumulated</u>
<b>1. Beginning Cash Balance</b>	\$ <u>-</u> (1)	\$	\$ <u>-</u> (1)
<b>2. Cash Receipts</b>			
Operations	-		-
Sale of Assets	-		-
Loans/advances	-		-
Other	15,562.40		15,562.40
Total Cash Receipts	\$ <u>15,562.40</u>	\$	\$ <u>15,562.40</u>
<b>3. Cash Disbursements</b>			
Operations	2,116.30		2,116.30
Debt Service/Secured loan payment	-		-
Professional fees/U.S. Trustee fees	325.00		325.00
Other	-		-
Total Cash Disbursements	\$ <u>2,441.30</u>	\$	\$ <u>2,441.30</u>
<b>4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)</b>	<u>13,121.10</u>		<u>13,121.10</u>
<b>5 Ending Cash Balance (to Form 2-C)</b>	\$ <u>13,121.10</u> (2)	\$	\$ <u>13,121.10</u> (2)

**CASH BALANCE SUMMARY**

	<u>Financial Institution</u>		<u>Book Balance</u>
Petty Cash		\$	-
DIP Operating Account	Zions Bank		13,121.10
DIP State Tax Account			-
DIP Payroll Account			-
Other Operating Account			-
Other Interest-bearing Account			-
TOTAL (must agree with Ending Cash Balance above)		\$	<u>13,121.10</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 Smryna, LLC CASE NO: 11-35246

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

For Period: 4/1/12 to 4/30/12

**CASH RECEIPTS DETAIL**  
*(attach additional sheets as necessary)*

Account No: Zions - DIP

Date	Payer	Description	Amount
04/18/12	Thompson Appalachian Hardwoods	Sale of Timber located on Smyrna land	\$ 15,562.40

**Total Cash Receipts** \$ 15,562.40 (1)

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

DEBTOR: Castle Arch Smryna, LLC

CASE NO: 11-35246

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

For Period: 4/1/12 to 4/30/12

**CASH DISBURSEMENTS DETAIL**  
*(attach additional sheets as necessary)*

Account No: Zions - DIP

Date	Check No.	Payee	Description (Purpose)	Amount
04/18/12	1	David Hunt	Reimbursement for Nevada State reinstatement of good standing	2,116.30
4/18/2012 0:00	2	US Trustee	4th Qtr 2011 Fees	325.00

\$

**Total Cash Disbursements**      \$ 2,441.30 (1)

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

DEBTOR: Castle Arch Smryna, LLC Document Page 5 of 12 CASE NO: 11-35246

Form 2-C  
**COMPARATIVE BALANCE SHEET**  
For Period Ended: 4/30/2012

<b>ASSETS</b>	Current Month	Petition Date (1)
<b>Current Assets:</b>		
Cash (from Form 2-B, line 5)	\$ 13,121.10	\$ 0.00
Accounts Receivable (from Form 2-E)	0.00	0.00
Receivable from Officers, Employees, Affiliates	0.00	0.00
Inventory	0.00	0.00
Other Current Assets :(List) <u>Land</u>	5,808,000.00	5,808,000.00
	0.00	0.00
<b>Total Current Assets</b>	<b>\$ 5,821,121.10</b>	<b>\$ 5,808,000.00</b>
<b>Fixed Assets:</b>		
Land	\$ 0.00	\$ 0.00
Building	0.00	0.00
Equipment, Furniture and Fixtures	0.00	0.00
<b>Total Fixed Assets</b>	<b>0.00</b>	<b>0.00</b>
Less: Accumulated Depreciation	( 0.00 )	( 0.00 )
<b>Net Fixed Assets</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
Other Assets (List): _____	0.00	0.00
	0.00	0.00
<b>TOTAL ASSETS</b>	<b>\$ 5,821,121.10</b>	<b>\$ 5,808,000.00</b>
<b>LIABILITIES</b>		
Post-petition Accounts Payable (from Form 2-E)	\$ 7,234.67	\$ 0.00
Post-petition Accrued Profesional Fees (from Form 2-E)	0.00	0.00
Post-petition Taxes Payable (from Form 2-E)	0.00	0.00
Post-petition Notes Payable	0.00	0.00
Other Post-petition Payable(List): <u>Interest Payable: Notes</u>	29,400.00	0.00
<u>Inter-Company Account</u>	7,367.90	0.00
<u>Preferred Dividends Payable</u>	635,236.00	0.00
<b>Total Post Petition Liabilities</b>	<b>\$ 679,238.57</b>	<b>\$ 0.00</b>
<b>Pre Petition Liabilities:</b>		
Secured Debt	0.00	0.00
Priority Debt	19,534.00	19,534.00
Unsecured Debt	4,978,554.62	4,978,554.62
<b>Total Pre Petition Liabilities</b>	<b>\$ 4,998,088.62</b>	<b>\$ 4,998,088.62</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 5,677,327.19</b>	<b>\$ 4,998,088.62</b>
<b>OWNERS' EQUITY</b>		
Owner's/Stockholder's Equity	\$ 1,804,966.68	\$ 2,440,202.68
Retained Earnings - Prepetition	-1,630,291.30	-1,630,291.30
Retained Earnings - Post-petition	-30,881.47	0.00
<b>TOTAL OWNERS' EQUITY</b>	<b>\$ 143,793.91</b>	<b>\$ 809,911.38</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$ 5,821,121.10</b>	<b>\$ 5,808,000.00</b>

(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.

See attached Quickbooks Balance Sheets for more detail.

**DEBTOR:** Castle Arch Smryna, LLC

**CASE NO:** 11-35246

**Form 2-D  
PROFIT AND LOSS STATEMENT  
For Period 4/1/2012 to 4/30/2012**

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ -	\$ -
Less: Discounts, Returns and Allowances	( - )	( - )
<b>Net Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>
Cost of Goods Sold	-	-
<b>Gross Profit</b>	<b>\$ -</b>	<b>\$ -</b>
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	2,116.30	2,622.97
Rents and Leases	-	-
Depreciation, Depletion and Amortization	-	-
Other (list): <u>Property Tax</u>	-	14,095.90
	-	-
Total Operating Expenses	\$ 2,116.30	\$ 16,718.87
<b>Operating Income (Loss)</b>	<b>\$ (2,116.30)</b>	<b>\$ (16,718.87)</b>
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	-	-
Interest Expense	-	(29,400.00)
Other Non-Operating Income	15,562.40	15,562.40
Net Non-Operating Income or (Expenses)	\$ 15,562.40	\$ (13,837.60)
Reorganization Expenses		
Legal and Professional Fees	\$ 325.00	\$ 325.00
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ 325.00	\$ 325.00
<b>Net Income (Loss) Before Income Taxes</b>	<b>\$ 13,121.10</b>	<b>\$ (30,881.47)</b>
Federal and State Income Tax Expense (Benefit)	-	-
<b>NET INCOME (LOSS)</b>	<b>\$ 13,121.10</b>	<b>\$ (30,881.47)</b>

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

**DEBTOR:** Castle Arch Smryna, LLC

**CASE NO:** 11-35246

**Form 2-E  
SUPPORTING SCHEDULES  
For Period: 4/1/2012 to 4/30/2012**

**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 \$	0 \$	0		\$	0
State	0	0	0			0
FICA Tax Withheld	0	0	0			0
Employer's FICA Tax	0	0	0			0
Unemployment Tax						
Federal	0	0	0			0
State	0	0	0			0
Sales, Use & Excise Taxes	0	0	0			0
Property Taxes	0	0	0			0
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other: _____	0	0	0			0
<b>TOTALS</b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b><u>0</u></b>			<b>\$ <u>0</u></b>

(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	Travelers	\$ 2,000,000	10/17/2012	\$ 10/17/2012
Property (Fire, Theft)		\$		\$
Vehicle		\$		\$
Other (list):		\$		\$
		\$		\$

DEBTOR: Castle Arch Smryna, LLC

CASE NO: 11-35246

**Form 2-E  
SUPPORTING SCHEDULES**

For Period 4/1/2012 to 4/30/2012

**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	\$ 0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	220.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	7,014.67
<b>Total Post Petition</b>	<u>0.00</u>	
<b>Pre Petition Amounts</b>	<u>0.00</u>	
Total Accounts Receivable	\$ <u>0.00</u>	
Less: Bad Debt Reserve	<u>0.00</u>	
<b>Net Accounts Receivable (to Form 2-C)</b>	<u>\$ 0.00</u>	
	<b>Total Post Petition Accounts Payable</b>	<u>\$ 7,234.67</u>

\* 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	\$ 21,500.00	\$ 0		\$ 21,500.00
Counsel for Unsecured Creditors' Committee	0	-	0		-
Trustee's Counsel	0	-	0		-
Accountant	0	-	0		-
Other:	0	-	0		-
<b>Total</b>	<u>\$ 0</u>	<u>\$ 21,500.00</u>	<u>\$ 0</u>		<u>\$ 21,500.00</u>

\*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>David Hunt</u>	<u>Chief Operations Officer</u>	<u>Reimbursement of State registration fees</u>	<u>\$ 2,116.30</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:** Castle Arch Smryna, LLC

**CASE NO:** 11-35246

**Form 2-F  
QUARTERLY FEE SUMMARY \***  
For the Month Ended: 4/30/2012

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>2012</u>	\$ 0			
February	<u>2012</u>	0			
March	<u>2012</u>	0			
TOTAL 1st Quarter		\$ <u>0</u>	\$325.00		
April	<u>2012</u>	\$ 0			
May		0			
June		0			
TOTAL 2nd Quarter		\$ <u>0</u>			
July		\$ 0			
August		0			
September		0			
TOTAL 3rd Quarter		\$ <u>0</u>			
October	<u>2011</u>	\$ 0			
November	<u>2011</u>	0			
December	<u>2011</u>	0			
TOTAL 4th Quarter		\$ <u>0</u>	\$325.00	<u>002</u>	<u>04/18/12</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 Smyrna, LLC

CASE NO: 11-35246

Form 2-G  
**NARRATIVE**

For Period Ending: 4/30/2012

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 Smyrna recently was placed back in good standing with the State of Nevada allowing it to open a DIP bank account at Zions Bank. The proceeds from a timber sale contract were the only source of income.

5:47 PM

05/21/12

**Castle Arch Smyrna, LLC  
Reconciliation Detail**

**10710 · Zions Bank - DIP Account, Period Ending 04/30/2012**

Type	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						0.00
<b>Cleared Transactions</b>						
<b>Checks and Payments - 1 item</b>						
Check	4/18/2012	1	David Hunt	X	-2,116.30	-2,116.30
Total Checks and Payments					-2,116.30	-2,116.30
<b>Deposits and Credits - 1 item</b>						
Deposit	4/18/2012			X	15,562.40	15,562.40
Total Deposits and Credits					15,562.40	15,562.40
Total Cleared Transactions					13,446.10	13,446.10
Cleared Balance					13,446.10	13,446.10
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 1 item</b>						
Check	4/18/2012	2	U.S. Trustee		-325.00	-325.00
Total Checks and Payments					-325.00	-325.00
Total Uncleared Transactions					-325.00	-325.00
Register Balance as of 04/30/2012					13,121.10	13,121.10
<b>Ending Balance</b>					<b>13,121.10</b>	<b>13,121.10</b>

**ZIONS BANK**<sup>®</sup>  
 Box 30709, Salt Lake City, UT 84130-0709

**Statement of Accounts**

Page 1 of 3  
 This Statement: April 30, 2012  
 Last Statement: April 17, 2012

Primary Account [REDACTED] 3074

0057619 01 AV 0.347 \*\*AUTO T1 0 1522 84111-229135 P57676 05-0000-ZFN-PC0023-00002

CASTLE ARCH SMYRNA LLC  
 JEFFERY SCOT AUSTIN  
 DAVID S HUNT  
 8 E BROADWAY STE 510  
 SALT LAKE CITY UT 84111-2291



For 24-hour account information, please contact:

1-800-789-BANK (2265)  
 zionsbank.com



WE HAVEN'T FORGOTTEN WHO KEEPS US IN BUSINESS. ®

**SUMMARY OF ACCOUNT BALANCE**

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Free Business Checking	[REDACTED] 3074	\$13,446.10	

**FREE BUSINESS CHECKING [REDACTED] 3074**

107 2

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
0.00	15,562.40	0.00	2,116.30	13,446.10

**1 DEPOSIT/CREDIT**

Date	Amount	Description
04/18	15,562.40	DEPOSIT 9494642687

**0 CHARGES/DEBITS**

There were no transactions this period.

**1 CHECK PROCESSED**

Number	Date	Amount
0	04/18	2,116.30

**AGGREGATE OVERDRAFT AND RETURNED ITEM FEES**

	Total for This Period	Total Year-to-Date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.

**DAILY BALANCES**

Date	Balance
04/18	13,446.10



MEMBER FDIC