

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME State Power Solutions, Inc. PETITION DATE September 18, 2015
CASE NUMBER 15-60073

MONTHLY OPERATING REPORT SUMMARY FOR: YEAR: 2016

MONTH	MONTH: April	September	October	November	December	January	February	March	April
REVENUES (MOR-6)	-	-	(7,228.30)	(18,236.45)	(399,737.30)	(109,373.46)	(1,124,261)	-	-
INCOME BEFORE INTL DEPR & TAX (MOR-6)	-	-	(7,228.30)	(18,236.45)	(399,737.30)	(109,373.46)	(1,124,261)	-	-
NET INCOME (LOSS) (MOR-9)	-	-	(7,228.30)	(18,236.45)	(503,651.35)	(109,373.46)	(1,124,261)	-	(6,270.75)
PAYMENTS TO INSIDERS (MOR-9)	-	-	-	-	-	-	-	-	(6,270.75)
TOTAL DISBURSEMENTS (MOR-7)	-	-	1,250.00	261,089.72	28,557.16	58,891.22	-	22,713.01	37,446.86

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

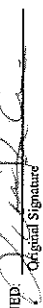
REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE
CASUALTY YES (x) NO ()	8/12/2016
LIABILITY YES (x) NO ()	8/12/2016
VEHICLE YES () NO () NA (x)	
WORKERS YES () NO () NA (x)	
OTHER YES () NO ()	

Are all accounts receivable being collected within terms? No Yes
 Are all post-petition liabilities, including taxes, being paid within terms? No Yes
 Have any pre-petition liabilities been paid? No Yes
 If so, describe: Per court order allowing for certain payments
 Are all funds received being deposited into the DIP bank account? No Yes
 Were any assets disposed of outside the normal course of business? No Yes
 If so, describe: _____
 Are all U.S. Trustee Quarterly Fee Payments current? No Yes
 What is the status of the Plan of Reorganization? No Yes

The Plan of Reorganization has been filed and was approved on April 15, 2016.

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

ATTORNEY NAME Hugh Rav III
FIRM NAME McCool Smith
ADDRESS 609 Travis Street, Suite 700
CITY, STATE, ZIP Houston, TX 77002
TELEPHONE 713-485-7315

SIGNED:  TITLE: Chief Restructuring Officer
Original Signature Date: 5/27/16
Loretha R. Cross Date
Print Name of Signatory

NOTES: The Plan of Reorganization has been filed and was approved on April 15, 2016.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

Sage Power Solutions, Inc.
15-60073

CASE NAME
CASE NUMBER

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015	September	October	November	December	January	February	March	April				
CURRENT ASSETS													
Cash - Heartland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - Chase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lease Security Deposit	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00
Net Trade Accounts Receivable	755,373.25	754,123.25	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18	14,348.32					
Prepaid Lease Expense	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66	3,596.66
Deferred loss on sale-leaseback	(1,023.00)	(1,023.00)	(1,023.00)	(1,023.00)	(651.00)	(465.00)	(465.00)	(465.00)	(465.00)	(465.00)	(465.00)	(465.00)	(465.00)
TOTAL CURRENT ASSETS	791,446.91	791,446.91	790,196.91	539,107.19	169,845.07	107,543.19	107,543.19	84,830.18	47,383.32				
FIXED ASSETS	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93
Less Accumulated Depreciation & Amortization *	(189,243.91)	(189,243.91)	(189,243.91)	(189,243.91)	(258,946.47)	-	-	-	-	-	-	-	-
NET FIXED ASSETS**	1,026,613.02	1,026,613.02	1,026,613.02	1,026,613.02	956,910.46	-	-	-	-	-	-	-	-
OTHER ASSETS													
TOTAL OTHER ASSETS	1,818,059.93	1,818,059.93	1,816,809.93	1,555,720.21	1,126,755.53	107,543.19	107,543.19	84,830.18	47,383.32				
TOTAL ASSETS													

Notes:

** Due to the sale of assets closed on 01/04/2016, the company performed a modified weighted-average purchase price allocation to reflect the asset sale. The company will perform a detailed purchase price allocation and record an impairment to FMV on remaining assets at a later date. Assets reported as stolen have been written off as a loss.

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

Case Name: Sage Power Solutions, Inc.
 Case Number: 15-60073

SCHEDULE OF POST-PETITION LIABILITIES

	FLING DATE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015											
TRADE ACCOUNTS PAYABLE												
TAXES PAYABLE												
Federal Payroll Taxes												
State Payroll Taxes												
Ad Valorem taxes												
Sales Taxes												
TOTAL TAXES PAYABLE												
SECURED DEBT POST-PETITION												
ACCURED INTEREST PAYABLE												
ACCURED PROFESSIONAL FEES *												
POST PETITION PREPAID RENT												
OTHER ACCURED LIABILITIES												
TOTAL POST-PETITION LIABILITIES												

Notes:

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
 HOUSTON DIVISION

CASE NAME
 CASE NUMBER

Sage Power Solutions, Inc.
 15-60073

AGING OF POST-PETITION LIABILITIES
 MONTH

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM TAXES	OTHER
0 - 30	-	-	-	-	-	-
31 - 60	-	-	-	-	-	-
61 - 90	-	-	-	-	-	-
91 +	1,576.38	1,576.38	-	-	-	-
TOTAL	-	1,576.38	-	-	-	-

AGING OF ACCOUNTS RECEIVABLE

DAYS	September	October	November	December	January	February	March	April
0 - 30	-	-	-	-	-	-	-	-
31 - 60	181,235.65	-	-	-	-	-	-	-
61 - 90	206,059.72	174,610.65	-	-	-	-	-	-
91 +	368,077.88	579,512.60	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18	14,348.32
TOTAL	-	754,123.25	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18	14,348.32

Notes:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Sage Power Solutions, Inc.
CASE NUMBER 15-60073

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
	September	October	November	December	January	February	March	April				
REVENUES												
TOTAL REVENUES (MOR-1)												
OPERATING EXPENSES												
Bank Service Charge		300.00		242.50								542.50
Rent		7,000.00										7,000.00
Penalties and Interest		228.30										228.30
Professional Fees			15,966.06	21,249.45		1,124.26						44,610.52
Consulting Fees			1,490.00	2,835.61								4,325.61
Allocated Salary Expense			780.39	975.48								1,755.87
Allocated Insurance Expense*				19,388.78								19,388.78
Equipment relocation fees				22,960.56								22,960.56
Travel Expense				662.96								662.96
Quarterly Trustee Fees				325.00								325.00
Bad Debt Expense**				331,096.96								331,096.96
Gain on Sales Tax Settlement					(829,911.34)							(829,911.34)
Loss on Stolen Equipment					939,484.82							939,484.82
TOTAL OPERATING EXPENSES		7,528.30	18,236.45	399,737.30	109,573.48	1,124.26						542,470.54
OPERATING INCOME		(7,528.30)	(18,236.45)	(399,737.30)	(109,573.48)	(1,124.26)						(542,470.54)
INCOME BEFORE INT. DEPR. TAX (MOR-1)												
Depreciation Expense***		(7,528.30)	(18,236.45)	(399,737.30)	(109,573.48)	(1,124.26)						(542,470.54)
Interest Expense***				69,702.56								69,702.56
NET INCOME		(7,528.30)	(18,236.45)	(503,651.35)	(109,573.48)	(1,124.26)						(646,384.59)

Accrual Accounting Required. Otherwise Footnote with Explanation

* Footnote describing these expenses is mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

Notes:

* Insurance premiums were recorded as a prepaid asset on the parent's balance sheet and reported as a cash payment on the parent's MOR schedules. The expense amount for December reflects the allocation of post-petition premiums to the subsidiaries on a weighted-average basis in accordance with the company's accounting policy.

** The bad debt reserve was analyzed at year end in accordance with the company's accounting policy, and the expected recovery of outstanding accounts receivable has decreased, resulting in bad debt expense at year end.

*** Depreciation and interest expense for post-petition dates were recorded in December.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
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Sage Power Solutions, Inc.
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CASE NAME
CASE NUMBER

STATEMENT OF INCOME (LOSS)

CASH RECEIPTS AND DISBURSEMENTS	STATEMENT OF INCOME (LOSS)												FILING TO DATE
	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	
CASH BEGINNING OF MONTH	September	October	November	December	January	February	March	April					
RECEIPTS	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable Collections	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	37,446.86	-	-	-	409,927.97	-
Other *	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	37,446.86	-	-	-	409,927.97	-
DISBURSEMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-
AR collections deposited to patent account	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	37,446.86	-	-	-	409,927.97	-
TOTAL DISBURSEMENTS FROM OPERATION	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	37,446.86	-	-	-	409,927.97	-
NET CASH FLOW	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH, END OF MONTH	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS *	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	37,446.86	-	-	-	409,927.97	-

* Numbers for the current month should balance (match) "Receipts" and "Checks/Other Disbursements" from MOR-8

Notes:

UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF TEXAS
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CASH ACCOUNT RECONCILIATION

BANK NAME	April	April	April	April	April	TOTAL
ACCOUNT NUMBER	2100024278	513773619				
ACCOUNT TYPE	Heartland Checking	Chase Checking				
BANK BALANCE	\$ -	\$ -				\$ -
DEPOSITS IN TRANSIT						
OUTSTANDING CHECKS						
OTHER ADJUSTMENTS						
ADJUSTED BANK BALANCE	-	-				-
BEGINNING CASH - PER BOOKS	-	-				-
RECEIPTS*	37,446.86					37,446.86
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR						
ADJUSTMENT TO REFLECT LENDER SWEEP						
CHECKS / OTHER DISBURSEMENTS *	(37,446.86)					(37,446.86)
ENDING CASH - PER BOOKS	-	-				-

* Numbers for the current month should balance (match) "Total Receipts" and "Total Disbursements" from MOR-7
 Notes:

UNITED STATES BANKRUPTCY COURT
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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.

Also, for insiders, identify the type of compensation paid (e.g. salary, commission, bonus, etc.)

INSIDER: NAME / COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	September	October	November	December	January	February	March	April				
1. none												
2												
3												
4												
5												
6												
TOTAL INSIDERS												
PROFESSIONALS												
1. none												
2												
3												
4												
5												
6												
TOTAL PROFESSIONAL FEES												

Notes: