

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re TLG Liquidation, LLC, et al.

Case No. 10-10206 (MFW)
Reporting Period: 05/01/2010 - 05/31/2010

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 30 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit Attached	Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X			
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X			
Schedule of Professional Fees Paid	MOR-1b	X			
Copies of bank statements					
Cash disbursements journals					
Statement of Operations	MOR-2	X			
Balance Sheet	MOR-3	X			
Status of Postpetition Taxes	MOR-4	X			
Copies of IRS Form 6123 or payment receipt					
Copies of tax returns filed during reporting period					
Summary of Unpaid Postpetition Debts	MOR-4	X			
Listing of aged accounts payable	MOR-4	X			
Accounts Receivable Reconciliation and Aging	MOR-5	X			
Debtor Questionnaire	MOR-5	X			

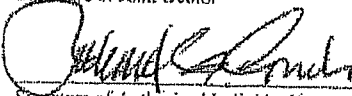
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

June 21, 2010

Date

Richard G. Couch
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*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 per the debtor's books, 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. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). 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)]

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE		
	PAYROLL	INVEST	ESCROW	LOCKBOX	ACTUAL	PROJECTED	ACTUAL	PROJECTED	
CASH BEGINNING OF MONTH	1,926,671.66	11,734.50	0.00	1,593,505.44	0.00	3,531,911.60		3,471,921.31	
RECEIPTS									
CASH SALES									
ACCOUNTS RECEIVABLE					0.00			3,578,495.41	
LOANS AND ADVANCES					0.00			0.00	
SALE OF ASSETS					0.00			0.00	
INTEREST RECEIVABLE					0.00			801.73	
TRANSFERS (FROM ESCROW ACCT)					0.00			0.00	
TRANSFERS FROM LOCK BOX ACCT					0.00			2,319,584.16	
TRANSFERS FROM / (TO) INVEST ACCT					0.00			3,338,725.66	
TRANSFERS FROM OPER ACCT		175,000.00				175,000.00		1,140,000.00	
TOTAL RECEIPTS	0.00	175,000.00	0.00	0.00	0.00	175,000.00		10,377,606.96	
DISBURSEMENTS									
NET PAYROLL		(127,375.07)				(127,375.07)		(671,774.02)	
PAYROLL TAXES		(41,416.83)				(41,416.83)		(365,489.06)	
SALES, USE, & OTHER TAXES	(19,905.29)					(19,905.29)		(198,271.29)	
INVENTORY PURCHASES						0.00		(495,076.34)	
SECURED/ RENTAL/ LEASES						0.00		(133,566.51)	
INSURANCE	(984.66)					(984.66)		(195,440.23)	
ADMINISTRATIVE	(85,871.22)	(888.81)				(86,340.03)		(477,784.88)	
SELLING						0.00		0.00	
OTHER (ATTACH LIST) - INTEREST						0.00		(531,820.33)	
TRANSFERS FROM / (TO) OPER ACCT					0.00	0.00		(4,002,857.82)	
TRANSFERS TO PAYROLL ACCT	(175,000.00)					(175,000.00)		(1,140,000.00)	
TRANSFERS TO ESCROW ACCT						0.00		(1,655,452.00)	
OWNER DRAW *						0.00		0.00	
PROFESSIONAL FEES				(616,075.92)		(616,075.92)		(1,112,106.89)	
U.S. TRUSTEE QUARTERLY FEES						0.00		(10,075.00)	
COURT COSTS						0.00		0.00	
TOTAL DISBURSEMENTS	(261,661.17)	(169,460.71)	0.00	(616,075.92)	0.00	(1,047,097.80)		(11,189,714.47)	
NET CASH FLOW	(261,661.17)	5,539.29	0.00	(616,075.92)	0.00	(872,097.80)	0.00	(812,107.51)	0.00
(RECEIPTS LESS DISBURSEMENTS)									
CASH - END OF MONTH	1,665,110.49	17,273.79	0.00	977,429.62	0.00	2,659,813.80	0.00	2,659,813.80	0.00

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES (FROM CURRENT MONTH ACTUAL (EDRUM))	
TOTAL DISBURSEMENTS	(1,047,097.80)
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	175,000.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	(872,097.80)

STATEMENT OF OPERATIONS
(Income Statement)

SEE ATTACHED SHEET

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 Billing 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 (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense		
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense		
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment		
Utilities		
Other (attach schedule)		
Total Operating Expenses Before Depreciation		
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses		
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)		
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items		
REORGANIZATION ITEMS		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)	\$	\$

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

In re TLG Liquidation, LLC, et al.
Debtors

Case No. 10-10206(MFW)
Reporting Period: 05/01/2010 TO 5/31/2010

**STATEMENT OF OPERATIONS
(Income Statement)**

	<u>01/24/10 - 04/30/10</u>	<u>05/31/10</u>	<u>Cumulative Filing to Date</u>
REVENUE:			
RENTAL REVENUE	1,671,136.04	(6,632.74)	1,664,503.30
OPERATING LEASE REVENUE	56,890.33		56,890.33
FINANCE LEASE INTEREST REVENUE	2,129.19		2,129.19
EQUIPMENT MANAGEMENT REVENUE	75.00		75.00
SALES TYPE LEASE REVENUE	3.00		3.00
EQUIPMENT REMARKETING REVENUE	1,045,249.75		1,045,249.75
TTS REVENUE	152,156.50		152,156.50
TOTAL REVENUE	<u>2,927,639.82</u>	<u>(6,632.74)</u>	<u>2,921,007.08</u>
COST OF SALES:			
COST OF EQUIP REMARKETED	866,615.39		866,615.39
DEPR FOR INVENTORY	1,047,359.13		1,047,359.13
TOTAL COST OF SALES	<u>1,913,974.53</u>	<u>0.00</u>	<u>1,913,974.53</u>
OPERATING EXPENSES:			
TOTAL PERSONNEL	943,639.08	469,432.96	1,413,072.04
TOTAL T & E	34,993.38	28,487.29	63,480.67
TOTAL MARKETING	118,977.84		118,977.84
PROFESSIONAL SERVICES	759,380.98	883,937.40	1,643,318.38
ADMINISTRATION	17,088.54	486.59	17,575.13
OFFICE SUPPLIES	476.87	78.41	555.28
POSTAGE & DELIVERY	3,187.02	224.38	3,411.40
DATA PROCESSING	8,457.97	6,446.79	14,904.76
LAB, MAUALS R & M - NET	107,770.19		107,770.19
FREIGHT - NET	34,543.49	(574.61)	33,968.88
WAREHOUSE & LAB SUPPLIES	2,780.76		2,780.76
FACILITY	(559,246.26)	4,890.00	(554,356.26)
TELEPHONE	14,461.55	1,193.68	15,655.23
INSURANCE	149,873.50		149,873.50
EQUIPMENT LEASE	1,307.34		1,307.34
PERSONAL PROPERTY TAXES	53,063.42	46,581.07	99,644.49
DISPOSAL OF DISCONTINUED TI	6,934,874.47		6,934,874.47
LOSS ON SALE THE ASSETS TO ER	3,525,129.13	275,000.00	3,800,129.13
OTHER EXPENSES	(13,841.31)		(13,841.31)
TOTAL OPERATING EXPENSES:	<u>12,136,917.94</u>	<u>1,716,183.96</u>	<u>13,853,101.90</u>
DEPRECIATION -F/A	43,986.18		43,986.18
INTEREST EXPENSES	87,391.15		87,391.15
INCOME TAXES	29,722.30	(193.29)	29,529.01
TOTAL OTHER EXPENSES	<u>161,099.62</u>	<u>(193.29)</u>	<u>160,906.33</u>
TOTAL EXPENSES	12,298,017.57	1,715,990.67	14,014,008.24
NET INCOME	<u>(11,284,352.28)</u>	<u>(1,722,623.41)</u>	<u>(13,006,975.69)</u>

STATEMENT OF OPERATIONS - continuation sheet
NONE

BREAKDOWN OF OTHER CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Other Operational Expense		
Other Income		
Other Expenses		
Other Reorganization Expense		

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

SEE ATTACHED SHEET

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

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents		
Restricted Cash and Cash Equivalents (see continuation sheet)		
Accounts Receivable (Net)		
Notes Receivable		
Inventories		
Prepaid Expenses		
Professional Retainers		
Other Current Assets (attach schedule)		
TOTAL CURRENT ASSETS	\$	\$
PROPERTY AND EQUIPMENT		
Real Property and Improvements		
Machinery and Equipment		
Furniture, Fixtures and Office Equipment		
Leasehold Improvements		
Vehicles		
Less Accumulated Depreciation		
TOTAL PROPERTY & EQUIPMENT	\$	\$
OTHER ASSETS		
Loans to Insiders*		
Other Assets (attach schedule)		
TOTAL OTHER ASSETS	\$	\$
TOTAL ASSETS		

LIABILITIES AND OWNERS' EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable		
Taxes Payable (refer to FORM MOR-4)		
Wages Payable		
Notes Payable		
Rent / Leases - Building/Equipment		
Secured Debt / Adequate Protection Payments		
Professional Fees		
Amounts Due to Insiders*		
Other Postpetition Liabilities (attach schedule)		
TOTAL POSTPETITION LIABILITIES	\$	\$
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt		
Priority Debt		
Unsecured Debt		
TOTAL PRE-PETITION LIABILITIES	\$	\$
TOTAL LIABILITIES	\$	\$
OWNER EQUITY		
Capital Stock		
Additional Paid-In Capital		
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition		
Retained Earnings - Postpetition		
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	\$	\$
TOTAL LIABILITIES AND OWNERS' EQUITY		

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

TLG LIQUIDATION, LLC
BALANCE SHEET
 May 31, 2010
 (UNAUDITED)

		May-10
ASSETS:		
Cash and cash equivalents	\$	2,659,814
Receivables:		
Trade, net of allowance for doubtful accounts		0
Equipment held for rental, sale, and lease		0
Net investment in sales-type leases		0
Leasehold improvements, office equipment etc.		0
Other assets		0
TOTAL ASSETS	\$	<u>2,659,814</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Borrowings under revolving credit and note agreements	\$	33,812,986
Accounts payable		332,207
Accrued liabilities		1,786,230
Total liabilities before subordinated debt		<u>35,931,423</u>
Shareholders' equity:		
Paid in Capital		59,546,256
Receivable from affiliate		0
Retained earnings		(92,817,866)
Total shareholders' equity and notes		<u>(33,271,609)</u>
TOTAL LIABILITIES AND EQUITY	\$	<u>2,659,814</u>

STATUS OF POSTPETITION 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.

	Beginning Tax Liability	Amount Withheld/ Accrued	Amount Paid	Date Paid	CHECK No. or DEBIT	Ending Tax Liability
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment	WE ARE CURRENT WITH ALL TAX PAYMENTS					
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 POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due				Total
	Current	0-30	31-60	61-90	
Accounts Payable					
Wages Payable					
Taxes Payable					
Rent/Leases-Building	WE ARE CURRENT WITH ALL TAX PAYMENTS				
Rent/Leases-Equipment					
Secured Debt/Adequate Protection Payments					
Professional Fees					
Amounts Due to Insiders*					
Other:					
Other:					
Total Postpetition Debts					

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

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

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		
+ Amounts billed during the period		
- Amounts collected during the period		
Total Accounts Receivable at the end of the reporting period		
Accounts Receivable Aging		Amount
0 - 30 days old		
31 - 60 days old		
61 - 90 days old		
91+ days old		
Total Accounts Receivable		
Amount considered uncollectible (Bad Debt)		
Accounts Receivable (Net)		

DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.	X	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

The Company entered into an asset purchase agreement with Electro Rent Corporation on 3-31-2010, and sold substantially all of its assets