

OFFICE OF THE UNITED STATES TRUSTEE  
FOR THE DISTRICT OF MARYLAND - GREENBELT DIVISION  
POST-CONFIRMATION QUARTERLY REPORT

DEBTOR: KH Funding Company CH. 11 CASE NO: 160-10-37371

FOR QUARTER ENDED: December 31, 2014

SUMMARY OF DISBURSEMENTS MADE DURING QUARTER:

|   |                 |
|---|-----------------|
| 1. CASH BALANCE, BEGINNING OF QUARTER                                   | \$ 2,876,371.72 |
| 2. CASH RECEIPTS DURING QUARTER FROM ALL SOURCES                        | 7,594.38        |
| 3. CASH DISBURSEMENTS DURING QUARTER, INCLUDING PLAN PAYMENTS           | (284,720.85)    |
| 4. CASH BALANCE, END OF QUARTER (OR AS OF REPORT DATE FOR FINAL REPORT) | \$ 2,599,245.25 |

SUMMARY OF AMOUNTS DISBURSED UNDER PLAN:

|  | Paid During<br>Quarter | Total Paid<br>to Date  | Total Pmts.<br>Projected<br>Under Plan <sup>(1)</sup> |
|--|------------------------|------------------------|---|
| 1. ADMINISTRATIVE EXPENSES                 |                        |                        |   |
| Plan Trustee Compensation                  | \$ -                   | \$ 352,939.11          | \$ 325,000.00   |
| Plan Trustee Expense                       | -                      | -                      | not specified   |
| Attorney Fees - Trustee/Creditor Committee | 2,090.00               | 1,692,567.46           | 175,000.00  |
| Attorney Fees - Debtor                     | -                      | 368,779.83             | 200,000.00  |
| Other Professionals                        | 39,563.75              | 926,754.10             | 378,000.00  |
| Other Administrative Expenses - Operating  | 30,067.10              | 455,323.54             | 248,900.00  |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b>       | <b>\$ 71,720.85</b>    | <b>\$ 3,796,364.04</b> | <b>\$ 1,326,900.00</b>                                |
| 2. SECURED CREDITORS                       | \$ 213,000.00          | \$ 267,823.00          | not specified   |
| 3. PRIORITY CREDITORS                      | \$ -                   | \$ 56,576.08           | \$ 57,000.00  |
| 4. UNSECURED CREDITORS                     | \$ -                   | \$ -                   | \$ 5,800,000.00                                       |
| 5. EQUITY SECURITY HOLDERS                 | \$ -                   | \$ -                   | \$ -  |
| 6. Attach additional sheets as necessary   | \$ -                   | \$ -                   | \$ -  |
| <b>TOTAL PLAN PAYMENTS</b>                 | <b>\$ 284,720.85</b>   | <b>\$ 4,120,763.12</b> | <b>\$ 7,183,900.00</b>                                |
|  | Amount                 | Date                   | Check No.   |
| QUARTERLY FEE PAID:                        | \$ 4,875.00            | 10/6/14                | 2439  |

PLAN STATUS:

|   | Yes                                 | No                       |
|---|-------------------------------------|--------------------------|
| 1. Have all payments been made as set forth in the confirmed plan? (If no, attach explanation.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Are all post-confirmation obligations current? (If no, attach explanation.)                  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Projected date of application for final decree: <u>12/18/2015 <sup>(2)</sup></u>             |                                     |                          |

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING POST CONFIRMATION QUARTERLY REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

|  |   |  |
|--|---|--|
| By: <u>Alfred T. Giuliano</u><br>Signature<br>Printed Name | <u>1/16/15</u><br>Date<br>Plan Administrator<br>Title<br>856-767-3000 x11<br>Telephone Number | _____<br>Date<br>_____<br>Signature of Co-Debtor, if applicable<br>_____<br>Printed Name |
|--|---|--|

2011-05

<sup>(1)</sup> The Plan Administrator was retained Post-Effective Date of the confirmed Plan, and thus, did not and could not represent or warrant the accuracy of these numbers, which have been taken from the Disclosure Statement. To the extent there is any discrepancy between the numbers listed in this column and the Disclosure Statement, the Disclosure Statement shall control as it is incorporated herein by reference.

<sup>(2)</sup> To date, the Plan Administrator has, among other things, sold real estate, negotiated loan terms, monetized the performing loans in the Debtor's loan portfolio, and resolved certain litigation. The Plan Administrator believes, in his business judgment, that the projected date for the entry of a final decree in this case is subject to, among other things, the following events: (i) the conclusion of pending litigation around the United States that is seeking to recover monies on behalf of the estate; (ii) the monetization of the unsold loan portfolio; and (iii) the reconciliation of claims. Based on the facts available at this time, the Plan Administrator believes that date of the entry of the final decree will be 12/18/2015, however, that actual date of the entry of the final decree may be earlier or later than this date.