

**Monthly Operating Report
ACCRUAL BASIS**

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492
JUDGE:	HONORABLE BRENDA T. RHOADES

**UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6**

MONTHLY OPERATING REPORT

MONTH ENDING: 12 2020
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

S/ERIK TOTTH
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

CHIEF RESTRUCTURING OFFICER
TITLE

ERIK TOTTH
PRINTED NAME OF RESPONSIBLE PARTY

2/22/2021
DATE

PREPARER:

S/SIMON DAVIES
ORIGINAL SIGNATURE OF PREPARER

SVP FINANCE, SPHERATURE INVESTMENT
TITLE

SIMON DAVIES
PRINTED NAME OF PREPARER

2/22/2021
DATE

**Monthly Operating Report
ACCRUAL BASIS-1**

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492

MONTH: December 2020

COMPARATIVE BALANCE SHEET				
	SCHEDULE AMOUNT	December 2020	MONTH	MONTH
ASSETS				
1. UNRESTRICTED CASH	\$330,803	\$3,753		
2. RESTRICTED CASH*	\$833,592	\$883,592		
3. TOTAL CASH	\$1,164,396	\$887,345	\$0	\$0
4. ACCOUNTS RECEIVABLE (NET)	\$9,482	\$12,807		
5. INVENTORY	\$19,531	(\$601)		
6. NOTES RECEIVABLE	\$250,000	\$250,000		
7. PREPAID EXPENSES	\$257,140	\$175,678		
8. OTHER (ATTACH LIST)	\$0	\$0		
9. INVESTMENTS IN SUBS	\$866	\$866		
10. INTERCOMPANY RECEIVABLES	\$517,817,281	\$530,038,580		
11. TOTAL CURRENT ASSETS	\$519,518,695	\$531,364,675	\$0	\$0
12. PROPERTY, PLANT & EQUIPMENT	\$13,865,045	\$13,865,045		
13. LESS: ACCUMULATED DEPRECIATION/DEPLETION	(\$12,156,178)	(\$12,176,683)		
14. NET PROPERTY, PLANT & EQUIPMENT	\$1,708,866	\$1,688,362	\$0	\$0
15. DUE FROM INSIDERS	\$0	\$0		
16. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	\$874,355	\$870,270		
17. OTHER (ATTACH LIST)	\$0	\$0		
18. TOTAL ASSETS	\$522,101,917	\$533,923,308	\$0	\$0
POSTPETITION LIABILITIES				
19. ACCOUNTS PAYABLE		\$12,373,400		
20. TAXES PAYABLE		\$18,802		
21. SECURED DEBT		\$5,698,934		
22. UNSECURED DEBT (PPP/GRANTS)		\$269,103		
23. COMMISSIONS PAYABLE		(\$5,700)		
24. VIRTUAL CURRENCY		\$0		
25. DEFERRED REVENUE		(\$41)		
26. ACCRUED EXPENSES		\$1,518,719		
27. OTHER LIABILITIES (ATTACH LIST)		\$1,208,333		
28. INTERCOMPANY PAYABLES		\$665,493,834		
29. TOTAL POSTPETITION LIABILITIES		\$686,575,385	\$0	\$0
PREPETITION LIABILITIES				
30. SECURED DEBT	\$5,703,963			
31. PRIORITY DEBT		\$0		
32. UNSECURED DEBT	\$269,103	\$0		
33. OTHER (ATTACH LIST)	\$668,463,934	\$0		
34. TOTAL PREPETITION LIABILITIES	\$674,437,001	\$0	\$0	\$0
35. TOTAL LIABILITIES	\$674,437,001	\$686,575,385	\$0	\$0
EQUITY				
36. PREPETITION OWNERS' EQUITY	(\$152,335,084)	(\$55,164,778)		
37. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$97,487,299)		
38. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)		\$0		
39. TOTAL EQUITY		(\$152,652,077)	\$0	\$0
40. TOTAL LIABILITIES & OWNERS' EQUITY	\$522,101,917	\$533,923,308	\$0	\$0

* Restricted cash includes Merchant Cash Reserves and Deposits held on account

**Monthly Operating Report
ACCURAL BASIS-2**

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492

MONTH: December 2020

INCOME STATEMENT	YTD 12/21/2020	12/31/2020	MONTH	MONTH
REVENUES				
1. GROSS REVENUES	\$0	\$0		
2. LESS: RETURNS & DISCOUNTS	\$0	\$0		
3. NET REVENUE	\$0	\$0	\$0	\$0
COST OF GOODS SOLD				
4. MEMBERSHIP	\$287,595	\$0		
5. TRAVEL	\$0	\$0		
6. MERCHANDISE & TOOLS	(\$14,967)	\$0		
7. TRAINING & EVENTS	(\$20,959)	\$0		
8. RBS	\$0	\$0		
9. OTHER	\$0	\$0		
10. COMMISSIONS	\$0	\$0		
11. TOTAL COST OF GOODS SOLD	\$251,670	\$0	\$0	\$0
12. GROSS PROFIT	(\$251,670)	\$0	\$0	\$0
OPERATING EXPENSES				
13. EMPLOYEE PAYROLL EXPENSE	\$4,974,176	\$88,706		
14. SELLING & MARKETING	\$634,345	\$13,854		
15. GENERAL & ADMINISTRATIVE	\$3,376,308	\$73,979		
16. RENT & LEASE	\$2,696,886	\$57,796		
17. OTHER (ATTACH LIST - DEPARTMENTAL EXPS	(\$11,359,380)	(\$173,554)		
18. TOTAL OPERATING EXPENSES	\$322,334	\$60,780	\$0	\$0
19. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	(\$574,004)	(\$60,780)	\$0	\$0
OTHER INCOME & EXPENSES				
20. NON-OPERATING INCOME (ATTACH LIST)	(\$23,438,713)	(\$3,630,390)		
21. NON-OPERATING EXPENSE (ATTACH LIST)	\$24,075,375	\$3,217,336		
22. INTEREST EXPENSE	\$1,203,522	\$24,110		
23. DEPRECIATION / DEPLETION	\$926,206	\$20,504		
24. AMORTIZATION	\$97,932	\$4,085		
24. OTHER (INCOME)/EXPENSES (ATTACH LIST)	\$971,043	\$341,867		
25. NET OTHER INCOME & EXPENSES	\$3,835,365	(\$22,488)	\$0	\$0
REORGANIZATION EXPENSES				
26. PROFESSIONAL FEES	\$1,791,238	\$258,570		
27. U.S. TRUSTEE FEES	\$0	\$0		
28. OTHER (ATTACH LIST)	\$0	\$0		
29. TOTAL REORGANIZATION EXPENSES	\$1,791,238	\$258,570	\$0	\$0
30. TAXES	\$3,360	\$0		
31. NET PROFIT (LOSS)	(\$6,203,967)	(\$296,862)	\$0	\$0

**Monthly Operating Report
ACCRUAL BASIS-3**

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492

MONTH: December 2020

CASH RECEIPTS AND DISBURSEMENTS	12/31/20	MONTH	MONTH	QUARTER
1. CASH - BEGINNING OF MONTH	\$2,192			
RECEIPTS FROM OPERATIONS				
2. CASH SALES	\$0			\$0
COLLECTION OF ACCOUNTS RECEIVABLE				
3. TRAVEL SALES	\$0			\$0
4. MEMBERSHIP & OTHER OPERATING SALES	\$0			\$0
5. TOTAL OPERATING RECEIPTS	\$0	\$0	\$0	\$0
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	\$0			\$0
7. SALE OF ASSETS	\$0			\$0
8. OTHER (ATTACH LIST)	\$8,321			\$8,321
9. TOTAL NON-OPERATING RECEIPTS	\$8,321	\$0	\$0	\$8,321
10. TOTAL RECEIPTS	\$8,321	\$0	\$0	\$8,321
11. TOTAL CASH AVAILABLE	\$10,512	\$0	\$0	
OPERATING DISBURSEMENTS				
12. PAYROLL, BONUS, & PAYROLL TAXES	(\$3,029)			(\$3,029)
13. BENEFITS - HEALTH INSURANCE	\$0			\$0
14. POTENTIAL SEVERANCE PAYMENTS	\$0			\$0
15. WEEKLY COMMISSIONS	\$0			\$0
16. MONTHLY COMMISSIONS	\$0			\$0
17. PRODUCT COSTS (I.E. COGS)	\$0			\$0
18. INSURANCE	\$0			\$0
19. ADMINISTRATIVE EXPENSES	\$0			\$0
20. EMPLOYEE TRAVEL EXPENSES	\$0			\$0
21. RENT	\$0			\$0
22. REPAIRS & MAINTENANCE	\$0			\$0
23. MARKETING SERVICES	\$0			\$0
24. UTILITIES / COMPUTERS	\$0			\$0
25. ACCOUNT ANALYSIS / BANKING FEES	(\$133)			(\$133)
26. OTHER OPERATING EXPENSES	\$0			\$0
27. INTERNATIONAL MARKET RENT PAYMENTS	\$0			\$0
28. INTERNATIONAL TAX OBLIGATIONS	\$0			\$0
29. TAXES (SALES & USE, VAT, INCOME, PROPERTY, ETC.)	\$0			\$0
30. ORDINARY COURSE PROFESSIONALS	(\$5,159)			(\$5,159)
31. ROUTINE CAPITAL EXPENDITURES	\$0			\$0
32. TRANSFERS OUT	\$0			\$0
33. TOTAL OPERATING DISBURSEMENTS	(\$8,321)	\$0	\$0	(\$8,321)
REORGANIZATION EXPENSES				
34. ESTATE PROFESSIONALS	\$0			\$0
35. CLAIMS AGENT	\$0			\$0
36. COMMITTEE PROFESSIONALS	\$0			\$0
37. INTERNATIONAL PROFESSIONAL FEES	\$0			\$0
38. INDEPENDENT BOARD ADVISOR	\$0			\$0
39. ADEQUATE PROTECTION - SECURED LENDER	\$0			\$0
40. ADEQUATE ASSURANCE - UTILITY DEPOSIT	\$0			\$0
41. U.S. TRUSTEE FEE	\$0			\$0
42. CH. 11 FILING FEE	\$0			\$0
43. POST-PETITION RENT - 503(B)1 ADMIN CLAIM	\$0			\$0
44. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
45. TOTAL DISBURSEMENTS	(\$8,321)	\$0	\$0	(\$8,321)
46. NET CASH FLOW	\$0	\$0	\$0	\$0
47. CASH - END OF MONTH	\$2,192	\$0	\$0	

Monthly Operating Report
ACCURAL BASIS-4

CASE NAME:	SPHERATURE INVESTMENTS LLC
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MONTH: December 2020

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	Dec-20	MONTH	MONTH
1. 0-30				
2. 31-60				
3. 61-90		\$12,807		
4. 91+				
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$12,807	\$0	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$12,807	\$0	\$0

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH:	12 2020
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL	
1. FEDERAL	\$18,802				\$18,802	
2. STATE					\$0	
3. LOCAL					\$0	
4. OTHER	\$0				\$0	
5. TOTAL TAXES PAYABLE	\$18,802	\$0	\$0	\$0	\$18,802	
6. ACCOUNTS PAYABLE	\$277,238	\$44,546	\$1,665,187	\$10,386,428	\$12,373,400	

STATUS OF POSTPETITION TAXES*			MONTH: 12 2020			
		BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
FEDERAL						
1.	WITHHOLDING Combined				\$0	
2.	FICA-EMPLOYEE Combined				\$0	
3.	FICA-OASDI Combined				\$0	
4.	UNEMPLOYMENT Combined				\$0	
5.	INCOME	\$0			\$0	
6.	OTHER Social Sec deferral under Cares ACT	\$18,496	\$306		\$18,802	
7.	TOTAL FEDERAL TAXES	\$18,496	\$306	\$0	\$18,802	
STATE AND LOCAL						
8.	WITHHOLDING				\$0	
9.	SALES				\$0	
10.	EXCISE				\$0	
11.	UNEMPLOYMENT				\$0	
12.	REAL PROPERTY				\$0	
13.	PERSONAL PROPERTY				\$0	
14.	OTHER (ATTACH LIST)				\$0	
15.	TOTAL STATE & LOCAL	\$0	\$0	\$0	\$0	
16.	TOTAL TAXES	\$18,496	\$306	\$0	\$18,802	

* includes prepetition taxes in rollforward

Monthly Operating Report
ACCURAL BASIS-5

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492

MONTH: December 2020

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	Account #4	Adjusting Journal Entries	TOTAL
A. BANK:		Titan Bank	Citibank	Citibank	Prosperity Bank		
B. ACCOUNT NUMBER:		xxxx4404	xxxx6062	xxxx6054	xxxx7312	xxxx0775	
C. PURPOSE (TYPE):		Operating Account	Payroll	Operating Account	Operating Account	Payroll	
1. BALANCE PER BANK STATEMENT		\$2,192	\$0	\$0	\$0	\$0	\$2,192
2. ADD: TOTAL DEPOSITS NOT CREDITED							\$0
3. SUBTRACT: OUTSTANDING CHECKS							\$0
4. OTHER RECONCILING ITEMS		\$0	\$0	\$0	\$177	\$0	\$176
5. MONTH END BALANCE PER BOOKS		\$2,192	\$0	\$0	\$177	\$0	\$2,367
6. NUMBER OF LAST CHECK WRITTEN					22707		

INVESTMENT ACCOUNTS		DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE		CURRENT VALUE
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.	TOTAL INVESTMENTS				\$0	\$0

CASH		
19.	CURRENCY ON HAND	\$1,385
20.	TOTAL CASH - END OF MONTH	\$3,753

**Monthly Operating Report
ACCUAL BASIS-6**

CASE NAME:	SPHERATURE INVESTMENTS LLC
CASE NUMBER:	20-42492

MONTH: December 2020

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. NUGENT, WAYNE T	PAYROLL	\$19,261	\$19,261
2. HEAD, KENNETH E	PAYROLL	\$17,798	\$17,798
3. POATES, MICHAEL	PAYROLL	\$17,338	\$17,338
4. HAYNES, ERIC	PAYROLL	\$15,415	\$15,415
5. JENKINS, PAUL DAVID	PAYROLL	\$15,414	\$15,414
6. LICEA, GREGORY	PAYROLL	\$1,159	\$1,159
7.			
8.			
9.			
10. TOTAL PAYMENTS TO INSIDERS		\$86,385	\$86,385

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Foley & Lardner LLP			\$0		\$0
2. Larx Advisors, Inc.			\$0		\$0
3. Pachulski Stang Ziehl & Jones			\$0		\$0
4. B. Riley Financial, Inc.			\$0		\$0
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS			\$0	\$0	\$0

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. MONTGOMERY CAPITAL PARTNERS II, LP	\$0	\$0	\$0
2. JAE W. CHUNG	\$0	\$0	\$0
3. BOWLING CAPITAL PARTNERS, LTD.	\$0	\$0	\$0
4. MONTGOMERY CAPITAL PARTNERS, LLC	\$0	\$0	\$0
5. MONTGOMERY CAPITAL ADVISERS, LLC	\$0	\$0	\$0
6. B. TERRELL LIMITED PARTNERSHIP	\$0	\$0	\$0
7. STRATA TRUST CO, CUSTODIAN FBO TAM IRA	\$0	\$0	\$0
8. STEVEN A. HALL IRREVOCABLE TRUST	\$0	\$0	\$0
9. MARIBESS MILLER	\$0	\$0	\$0
10. TWL GROUP, LP (TIM LOONEY)	\$0	\$0	\$0
11. BOOG-SCOTT FAMILY LP (JOHN BOOG-SCOTT)	\$0	\$0	\$0
12. MASSOUD BAYAT AR SOLE/SEP PROP TRST (RAY BAYAT)	\$0	\$0	\$0
13. REZA BAYAT & KHATEREH TABANDEH TRST, REV (RAY BAYAT)	\$0	\$0	\$0
14. MA CERES LLC (RAY BAYAT)	\$0	\$0	\$0
15. TYPE A MANAGEMENT LLC (SCOTT LAROQUE)	\$0	\$0	\$0
16. MULKEY HOLDINGS LLC (JOHN MULKEY)	\$0	\$0	\$0
17. TBF LOOSE HOLDINGS LLC (STEVEN NEUNER)	\$0	\$0	\$0
18.			
19. TOTAL	\$0	\$0	\$0

Monthly Operating Report
ACCRUAL BASIS-7

CASE NAME:	SPHERATURE INVESTMENTS LLC
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MONTH: December 2020

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?	X	
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X*
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.
INTERCOMPANY RECEIVABLES

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
PRIMARY D&O POLICY	BEAZLEY INSURANCE COMPANY, INC.	YEAR ENDED 04/15/2021	\$29,139.47 MONTHLY
EXCESS D&O COVERAGE	HOUSTON SPECIALTY INSURANCE COMPANY	YEAR ENDED 04/15/2021	
CRIME POLICY	BEAZLEY INSURANCE COMPANY, INC.	YEAR ENDED 04/01/2021	
WORKERS COMPENSATION POLICY	THE HARTFORD FINANCIAL SERVICES GROUP, INC.	YEAR ENDED 04/04/2021	
UMBRELLA POLICY	THE HARTFORD FINANCIAL SERVICES GROUP, INC.	YEAR ENDED 04/04/2021	
DOMESTIC PACKAGE POLICY	THE HARTFORD FINANCIAL SERVICES GROUP, INC.	YEAR ENDED 04/04/2021	
INTERNATIONAL PACKAGE POLICY	THE HARTFORD FINANCIAL SERVICES GROUP, INC.	YEAR ENDED 04/01/2021	
EMPLOYED LAWYERS E&O POLICY	AIG	YEAR ENDED 04/01/2021	
WORKPLACE VIOLENCE	CHUBB	YEAR ENDED 04/01/2021	
CYBER POLICY	ENDURANCE AMERICAN INSURANCE COMPANY	YEAR ENDED 04/01/2021	
KIDNAP & RANSOM	HISCOX INSURANCE COMPANY	YEAR ENDED 04/01/2021	

*NO POST-PETITION PAYMENTS WERE MADE ON PRE-PETITION OBLIGATIONS WITHOUT BEING EXPRESSEDLY APPROVED BY THE COURT.