

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:)
Omega Defense Systems, Inc)
)
)
)
)
)
)
 Debtor)
)
)

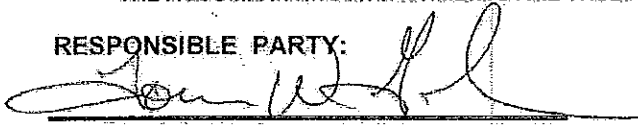
CASE NO. B-08-13372-PHX-CGC
BUSINESS AND INDUSTRY
MONTHLY OPERATING REPORT
MONTH OF Dec-08
DATE PETITION FILED: 9/30/2008
TAX PAYER ID NO. : 54-1885052

Nature of Debtor's Business: _____

DATE DISCLOSURE STATEMENT FILED _____ TO BE FILED
DATE PLAN OF REORGANIZATION FILED _____ TO BE FILED

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING MONTHLY OPERATING REPORT AND
THE ACCOMPANYING ATTACHMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Tom W. Gilmore

PRINTED NAME OF RESPONSIBLE PARTY

President

TITLE

1-23-09

DATE

PREPARER:



ORIGINAL SIGNATURE OF PREPARER

Jack Pharong

PRINTED NAME OF PREPARER

Accountant

TITLE

1-23-09

DATE

PERSON TO CONTACT REGARDING THIS REPORT: _____

PHONE NUMBER: _____

ADDRESS: _____

FILE ORIGINAL REPORT ELECTRONICALLY WITH THE COURT, FILE PAPER COPY WITH U.S. TRUSTEE'S OFFICE

**CURRENT MONTH'S
RECEIPTS AND DISBURSEMENTS**

Case Number: B-08-13372-PHX-CGC

BANK ACCOUNTS		Comerica Collate	Operating	Payroll	Tax	Total
		189402-4403	#375-555-7355	#375-555-7368	#375-555-7371	
Balance at Beginning of Period	4012.54	75234.21	12907.07	647.87		92801.69

RECEIPTS:						
Cash Sales						
Accounts Receivable - Prepetition	36000					36000
Accounts Receivable - Postpetition	371472.2	161666.67	3442.75			536581.62
Loans and Advances	3000					3000
Sale of Assets						
Transfers from Other DIP Accounts			125000	3200	21	128221
Other (attach list)						
TOTAL RECEIPTS	410472.2	161666.67	128442.75	3200	21	703802.62

DISBURSEMENTS:						
Business - Ordinary Operations	223797.38		122637.35	1175.73		347610.46
Capital Improvements						
Pre-Petition Debt						
Transfers to Other DIP Accounts	125000		3221			128221
Other (attach list)		161666.67				161666.67
Reorganization Expenses:						
Attorney Fees						
Accountant Fees						
Other Professional Fees						
U. S. Trustee Quarterly Fee						
Court Costs						
TOTAL DISBURSEMENTS	348797.38	161666.67	125856.35	1175.73		637498.13

Balance at End of Month	65667.36	75234.21	15491.47	2672.14	21	159106.18
*Information provided above should reconcile with balance sheet and income statement amounts						
DISBURSEMENTS FOR CALCULATING QUARTERLY FEES:						
Total Disbursements From Above						637498.13
Less: Transfers to Other DIP Accounts						128221
Plus: Estate Disbursements Made by Outside Sources (payments from escrow, 2-party check, etc.)						509277.13
Total Disbursements for Calculating Quarterly Fees						509277.13

Footnote:
1) Beginning balance and reporting of Omega Trust Account

Other (attach list) Fermion-Dec bandwidth
Bill McIntyre's Omega Trust Account
total

Receipts

Other (attach list)
total

Disbursements

Other (attach list) Bank of America DIP Checking
total

131,400.00

30,266.67

161,666.67

0.00

175482.53

175,482.53

INCOME STATEMENT

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) year-to-date and filing-to-date information is provided, and (3) if reorganization expenses are segregated in the statement.

REVENUES	Current Month	Year to Date	Total Since Filing
Gross Revenue	455,058.44	5,340,693.95	
Less: Returns & Discounts	0.00	0	
Net Revenue	455,058.44	5,340,693.95	
COST OF GOODS SOLD			
Material	220,773.00	2,906,201.80	
Direct Labor	45,564.93	623,561.58	
Direct Overhead (attach detail)	22,488.42	463,898.74	
Total Cost of Goods Sold	288,826.35	3,993,662.12	
GROSS PROFIT	166,232.09	1,347,031.83	
OPERATING EXPENSES			
Officer/Insider Compensation	10,000.00	250,043.09	
Selling & Marketing (attach detail)	3,896.08	62,448.33	
General & Administrative (attach detail)	51,133.80	828,427.70	
Other Expenses (attach detail)	26,724.95	360,838.69	
Total Operating Expenses	91,754.83	1,501,757.81	
Income Before Non-operating Income and Expense	74,477.26	-154,725.98	
OTHER INCOME & EXPENSE			
Other Income (attach list)	900.00	11,148.18	
Other Expense (attach list)	60,129.46	107,009.71	
Interest Expense	2,444.49	90,881.34	
Depreciation/Depletion Amortization			
Net Other Income & Expense	61,673.95	186,742.87	
Income Before Reorganization Expense	12,803.31	-341,468.85	
REORGANIZATION EXPENSES			
Professional Fees			
U.S. Trustee Fees	0.00		
Other (attach list)			
Total Reorganization Expenses	0	0.00	
Income Tax	0	0	
NET PROFIT OR (LOSS)	12,803.31	-341,468.85	

Footnote:

1) YTD: additional \$10,000 reclassified from G&A Expenses to Officer/Insider Compensation for YTD balances

INCOME STATEMENT

(Accrual Basis)

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REORGANIZATION EXPENSES			
Professional Fees			
U.S. Trustee Fees	0.00		
Other (attach list)			
Total Reorganization Expenses	0	0.00	
Income Tax	0	0	
NET PROFIT OR (LOSS)	12,803.31	-341,468.85	

Footnote:

1) YTD: additional \$10,000 reclassified from G&A Expenses to Officer/Insider Compensation for YTD balances

Description	Current Month
<u>Direct Overhead (attach detail)</u>	
O/H COGS WIP	47,851.00
Operations Admin	710.45
Human Resources	1,697.99
Contracts Management	0
Travel Expense	950.87
Travel - Meals	0
Dues & Subscription	0
Freight Insurance	0
Moving Expenses of Facili	3,705.11
Other Manuf Overhead	364.92
WIP OH Allocation Credit	-43,525.87
Shared Expense Allocation	9,178.84
Occupancy Allocation	1,555.11
Office Expenses/Supplies	301.45
Postage/Express Mail	1,279.29
Depreciation Expense-HC	8,176.17
Automobile Expense	0
Computer Hardware	283.48
Computer Software	596.31
Computer Supplies	0
R&M - Automobile	103.29
Telephone Expense	6,692.09
Equipment Rental/Leasing	622.85
Furniture Rental/Leasing	0
Leasing-Sales Tax & Other	302.75
Rent Expense	958.22
Utilities Expense	2,055.00
R&M - Building Expense	0
Janitorial Expense	0
Security/Alarm Expense	97
IT Support	0
Shared Expense Credit	-18,357.68
Occupancy Alloc Credit	-3,110.22
Subtotal	<u>22,488.42</u>
Direct Travel	<u>0.00</u>
TOTALS	<u><u>\$22,488.42</u></u>

<u>Selling & Marketing (attach detail)</u>	
B&P - DDS-M	0
B&P - LM-DDTC	0
B&P - COSMIC/QRI	3,896.08

Footnote:

1) YTD: additional \$10,000 reclassified from G&A Expenses to Officer/	B&P -CAISI Recompete	0
	B&P -CAISI Recompete	0
	B&P -IRIS	0
	B&P -IRIS	0
	B&P -AZ Mobile Interoper	0
	B&P -GWOT Terminals	0
	B&P -Toby Hanna	0
	B&P -Condor	0
	B&P -Kuwait ISR	0
	Total	<u>\$3,896.08</u>

General & Administrative (attach detail)

Accounting & Finance	7,968.55
Corporate Bus Admin	4,005.43
Corporate Human Resources	1,618.42
Corp Bus Development	8,350.25
Travel Expense	1,817.38
Business Meals	364.7
Independant Consultant	0
Professional Services	0
Education & Seminars	0
Dues & Subscriptions	0
Government Licensing Fees	0
Moving Expenses	995
BusDev Travel Expense	0
BusDev Travel - Meals	0
Marketing Expense	10,000.00
Legal Expense	2,025.00
General Liability Ins	2,990.66
Banking Fees	264.46
Shared Expense Allocation	9,178.84
Occupancy Allocation	1,555.11
Totals	<u>\$51,133.80</u>

<u>Other Expenses (attach detail)</u>	Fringe Benefit Expense	26,724.95
	Totals	<u>\$26,724.95</u>

<u>Other Income (attach list)</u>	Interest Income and Other-Vertical Info	900.00
	Totals	<u>\$900.00</u>

<u>Other Expense (attach list)</u>	U/A - Trade Shows	0
	U/A - Travel	3,913.75
	U/A - Entertainment	0
	U/A - Legal	56,207.49
	U/A - Organization Costs	0
	U/A - Other	1.22
	U/A -GovFines & Penalties	0
	U/A - Vendor Late Fee&Int	7
	U/A - Employee Morale	0
	U/A - Bank Charges NonInt	0
	U/A - Other Unallow Expenses	0
	Totals	<u>\$60,129.46</u>

h

Year To Date

O/H COGS WIP	317,119.00
Operations Admin	183,930.92
Human Resources	13,000.09
Contracts Management	21,293.79
Travel Expense	2,088.49
Travel - Meals	28.97
Dues & Subscription	160
Freight Insurance	7,967.17
Moving Expenses of Facili	4,436.13
Other Manuf Overhead	-3,295.31
WIP OH Allocation Credit	-302,452.85
Shared Expense Allocation	95,445.68
Occupancy Allocation	95,434.14
Office Expenses/Supplies	5,342.32
Postage/Express Mail	10,080.82
Depreciation Expense-HC	59,629.87
Automobile Expense	41,020.07
Computer Hardware	14,883.70
Computer Software	4,239.68
Computer Supplies	592.52
R&M - Automobile	389.58
Telephone Expense	45,704.61
Equipment Rental/Leasing	5,758.44
Furniture Rental/Leasing	24.4
Leasing-Sales Tax & Other	3,225.34
Rent Expense	90,524.19
Utilities Expense	13,278.76
R&M - Building Expense	925.02
Janitorial Expense	8,261.60
Security/Alarm Expense	664.7
IT Support	77,214.00
Shared Expense Credit	-190,891.36
Occupancy Alloc Credit	-190,868.28
Subtotal	<u>435,156.20</u>
Direct Travel	<u>28,742.54</u>
TOTALS	<u><u>\$463,898.74</u></u>
B&P - DDS-M	576.96
B&P - LM-DDTC	127.91
B&P - COSMIC/QRI	25,511.69

B&P -CAISI Recompete	2,147.17
B&P -CAISI Recompete	167.6
B&P -IRIS	8,981.34
B&P -IRIS	16,388.20
B&P -AZ Mobile Interoper	3,290.25
B&P -GWOT Terminals	2,125.60
B&P -Toby Hanna	711.51
B&P -Condor	320.1
B&P -Kuwait ISR	2,100.00
Total	<u>\$62,448.33</u>

Accounting & Finance	169,723.07
Corporate Bus Admin	9,328.54
Corporate Human Resources	14,013.59
Corp Bus Development	237,907.43
Travel Expense	28,998.58
Business Meals	2,918.39
Independant Consultant	1,155.00
Professional Services	1,096.20
Education & Seminars	5,317.40
Dues & Subscriptions	744
Government Licensing Fees	120
Moving Expenses	3,164.88
BusDev Travel Expense	1,218.40
BusDev Travel - Meals	409.82
Marketing Expense	122,897.69
Legal Expense	8,392.53
General Liability Ins	16,126.10
Banking Fees	14,016.26
Shared Expense Allocation	95,445.68
Occupancy Allocation	95,434.14
Totals	<u>\$828,427.70</u>

Fringe Benefit Expense	357,726.84
Independent R&D	3,111.96
Totals	<u><u>\$360,838.80</u></u>

Interest Income and Other-Vertical	2,833.32
PG&E interest	0.97
DFAS late pay interest	3.65
Bank Refund	932.31
Employee buy pc	100.00
Bank error	0.03
Gain on Furniture buyout	6,825.10
Vendor insight refund	452.80
Total	<u><u>\$11,148.18</u></u>

5,202.33 U/A - Trade Shows	5,202.33
7,387.57 U/A - Travel	7,387.57
3,036.13 U/A - Entertainment	3,036.13
78,856.70 U/A - Legal	78,856.70
637.89 U/A - Organization Costs	637.89
3,867.15 U/A - Other	3,867.15
728.84 U/A -GovFines & Penalties	728.84
2,901.32 U/A - Vendor Late Fee&Int	2,901.32
79.54 U/A - Employee Morale	79.54
3,500.00 U/A - Bank Charges NonInt	3,500.00
U/A - Other Unallow Expenses	812.24
Totals	<u><u>\$107,009.71</u></u>

COMPARATIVE BALANCE SHEET

(Accrual Basis)

*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) current and prior period information is provided, and (3) if pre-petition and post-petition liabilities are segregated.

ASSETS	SCHEDULE AMOUNT	CURRENT MONTH	PRIOR MONTH
Unrestricted Cash		83,871.97	13,554.94
Restricted Cash		75,234.21	75,234.21
Total Cash			
Accounts Receivable (net)		1,428,690.47	1,070,892.97
Inventory		140,140.82	93,502.97
Notes Receivable			
Prepaid Expenses		165,225.03	168,953.08
Other (attach list)			
Total Current Assets			
Property, Plant & Equipment		349,993.68	349,993.68
Less: Accumulated Depreciation		-171,345.19	-163,169.02
Net Property, Plant & Equip.		178,648.49	186,824.66
Due From Insider(s)			
Other Assets - net (attach list)		203,746.63	203,746.63
Other (attach list)			
TOTAL ASSETS		2,275,557.62	1,812,709.46
POST-PETITION LIABILITIES			
Accounts Payable		117,527.52	100,419.52
Taxes Payable			
Notes Payable			
Professional Fees			
Secured Debt			
Other (attach list)		1,285,715.81	1,107,500.99
Total Post-Petition Liabilities		1,403,243.33	1,207,920.51
PRE-PETITION LIABILITIES			
Secured Debt		55,000.00	55,000.00
Priority Debt		186,275.42	186,275.42
Unsecured Debt		366,633.21	100,072.18
Other (attach list)		1,204,950.74	1,216,789.74
Total Pre-Petition Liabilities		1,812,859.37	1,558,137.34
TOTAL LIABILITIES		3,216,102.70	2,766,057.85
EQUITY			
Pre-petition Owner's Equity		-1,091,169.30	-1,091,169.30
Post-Petition Cumulative Profit/Loss		150,624.22	137,820.91
Direct Charges to Equity (explain)			
Total Equity		-940,545.08	-953,348.39
TOTAL LIABILITIES & OWNER'S EQUITY		2,275,557.62	1,812,709.46

¹ This column should reflect the information provided in Schedules A, B, C, D, E, and F filed with the Court

Footnote:

- \$11,839 reclassified from PrePetition Liab account to Accounts Payable for Current Month
- \$266,561.03 of Other-Post Petition liabilities reclassified as Pre-Petition Unsecured Debt for Current Month

		Current Month
Other Assets - net (attach list)	Deferred Tax Asset-ST	64,136.00
	Deferred Tax Asset-LT	132,259.00
	Total	<u>7,351.63</u>
		<u>203,746.63</u>
Post-Petition Liabilities		
	PostPetition Accounts Payable	<u>117,527.52</u>
	Other (attach list)	
	Vendor accruals	49,689.87
	Accrued Salaries	18,963.29
	Accrued Vacation	30,404.71
	Accrual Bonus\Vacation	66,729.00
	Deferred Revenue	675,820.68
	Other Short Term Liab	415,757.02
	Other Liabilities-Long Ter	<u>28,351.24</u>
	total	<u>1,285,715.81</u>
Pre-Petition Liabilities		
Other (attach list)	PrePetition Accounts Payable	<u>1,204,950.74</u>

	Prior Month
Deferred Tax Asset-ST	64,136.00
Deferred Tax Asset-LT	132,259.00
Unbilled AR	7,351.63
Total	<u>203,746.63</u>

PostPetition Accounts Payable 100,419.52

Vendor accruals	31,855.09
Accrued Salaries	13,323.63
Accrued Vacation	32,828.09
Accrual Bonus/Vacation	66,409.00
Deferred Revenue	231,666.67
Other Short Term Liab	700,721.81
Other Liabilities-Long Term	30,696.70

total 1,107,500.99

PrePetition Accounts Payable 1,216,789.74

Omega Systems, Inc
Statement of Cash Flow
For Period Ending December 31, 2008

12/31/08

Cash flows (used for) provided by operating activities:

Net Income	12,803.31
Depreciation and Amortization	8,176.17
Accounts Receivable	(357,797.50)
Inventory	(46,637.85)
Prepaid Expense	3,728.05
Other Assets	
Deferred Tax Assets	
Deposit	
Post Petition-Accounts Payable Trade	17,108.00
Post Petition-Other Liabilities	178,214.82
Unsecured Debt	266,561.03
Pre Petition-Other Liabilities	(11,839.00)
Net cash provided by/(used for) operating activities	70,317.03

Cash flows used for investing activities:

Property Plant & Equipment	
Net Cash used for investing activities	0.00

Cash provided by financing activities:

Proceed from Common Stock\APIC	0.00
Repurchase of Common Stock	0.00
Notes Payable	
Pre Petition- Priority Debt	0.00
Net cash provided by/(used for) financing activities	0.00

Net increase /(decrease) in cash

	70,317.03
Cash at beginning of month	88,789.15
Cash at ending of month	159,106.18

Case Number: B-08-13372-PHX-CGC

STATUS OF ASSETS

*Information provided on this page should reconcile with balance sheet amounts

ACCOUNTS RECEIVABLE	TOTAL	0-30 Days	31-60 Days	60+ Days
Total Accounts Receivable	1428690.47	900112.45	63635.69	464942.33
Less Amount Considered Uncollectible	0			
Net Accounts Receivable	1428690.47	900112.45	63635.69	464942.33

DUE FROM INSIDER

Schedule Amount	
Plus: Amount Loaned Since Filing Date	
Less: Amount Collected Since Filing Date	
Less: Amount Considered Uncollectible	
Net Due From Insiders	

INVENTORY

Beginning Inventory	93,502.97
Plus: Purchases	312,975.78
Less: Cost of Goods Sold	266,337.93
Ending Inventory	140,140.82

Date Last Inventory was taken: 8/31/2008

FIXED ASSETS	SCHEDULE AMOUNT	ADDITIONS	DELETIONS	CURRENT AMOUNT
Real Property	0			
Buildings	0			
Accumulated Depreciation	0			
Net Buildings	0			
Equipment	282528.46			
Accumulated Depreciation	141416.59			
Net Equipment	141111.87			
Furniture	34902.32			
Accumulated Depreciation	25044.24			
Net Equipment	9858.08			
Autos/Vehicles	32562.9			
Accumulated Depreciation	4884.45			
Net Autos/Vehicles	27678.45			

Provide a description of fixed assets added or deleted during the reporting period; include the date of Court order:

Case Number: B-08-13372-PHX-CGC

STATUS OF LIABILITIES AND SENSITIVE PAYMENTS

*Information provided on this page should reconcile with balance sheet and disbursement detail amounts

POST-PETITION LIABILITIES	TOTAL	0-30 Days	31-60 Days	61-90 Days	91+ Days
Accounts Payable *	117,527.52	58,498.41	32,900.41	14,268.69	11,860.01
Taxes Payable	0				
Notes Payable					
Professional Fees Payable					
Secured Debt					
Other (attach list)					
Total Post-Petition Liabilities	117527.52	58498.41	32900.41	14268.69	11860.01

*DEBTOR MUST ATTACH AN AGED ACCOUNTS PAYABLE LISTING

PAYMENTS TO INSIDERS AND PROFESSIONALS

Insiders			
Name	Reason for Payment	Amount Paid this Month	Total Paid to Date
Tom Gilmore	Dec 08 gross payroll	10,000.00	158,998.01
Total Payments to Insiders			

Professionals				
Name	Date of Court Order Authorizing Payment	Amount Approved	Amount Paid this Month	Total Paid to Date
none				
Total Payments to Professionals				

Footnotes:

Supplemental Data is provided for comparison with last month reporting

Case Number: B-08-13372-PHX-CGC

STATUS OF LIABILITIES AND SENSITIVE PAYMENTS

*Information provided on this page should reconcile with balance sheet and disbursement detail amounts

PRE-PETITION LIABILITIES	TOTAL	0-30 Days	31-60 Days	61-90 Days	91+ Days
Accounts Payable *	1,204,950.74			135,491.76	1,069,458.98
Taxes Payable	0				
Notes Payable					
Professional Fees Payable					
Secured Debt					
Other (attach list)					
Total Pre-Petition Liabilities	1204950.74	0	0	135491.76	1069458.98

*DEBTOR MUST ATTACH AN AGED ACCOUNTS PAYABLE LISTING

AGING DATE: 12/31/08

OPEN A/P DE FULL REPORY VENDOR ID

AS OF 12/31/08

VOUCHER	PAYMENT	INVOICE	INVOICE	DUE	DAYS	PA	ST	DUE	OVER	TOTAL	Pre	Post			
VENDOR	NUMBER	Vendor	NUMBER	DATE	CURRENT	0 to 30	31 - 60	ST DUE	90		Petition	Petition			
(adpts2)	003229	HK ADP Total Source Pre	1231restat	12/31/08 01/01	\$6,766.36	\$0.00	\$0.00	\$0.00	\$0.00	\$6,766.36	Post	Post			
(adptsp)	003146	HK ADP Total Source Pay	121508pay	12/15/08 12/21	\$0.00	\$1,179.23	\$0.00	\$0.00	\$0.00	\$1,179.23	Post	Post			
003192	HOLD	ADP Total Source Pay	123108pay	12/31/08 01/01	\$1,183.33	\$0.00	\$0.00	\$0.00	\$0.00	\$1,183.33	Post	Post			
003196	HOLD	ADT Security Services	78832698	12/31/08 01/21	\$48.50	\$0.00	\$0.00	\$0.00	\$0.00	\$48.50	Post	Post			
003197	HOLD	ADT Security Services	80565254	12/31/08 01/21	\$48.50	\$0.00	\$0.00	\$0.00	\$0.00	\$48.50	Post	Post			
(efiac)	003212	PA\ Afilac	158791	12/24/08 01/21	\$387.34	\$0.00	\$0.00	\$0.00	\$0.00	\$387.34	Post	Post			
(attno2)	003199	P\ AT&T Mobility,	121508	12/15/08 12/11	\$0.00	\$88.11	\$0.00	\$0.00	\$0.00	\$88.11	Post	Post			
(attnob)	003211	P\ AT&T Mobility,	121508	12/15/08 01/01	\$2,484.90	\$0.00	\$0.00	\$0.00	\$0.00	\$2,484.90	Post	Post			
003149	HOLD	Carmichael & Powell	120108-2	12/01/08 12/31	\$4.25	\$0.00	\$0.00	\$0.00	\$0.00	\$4.25	Post	Post			
003209	HOLD	Carmichael & Powell	7200091-1	12/01/08 12/31	\$5,550.37	\$0.00	\$0.00	\$0.00	\$0.00	\$5,550.37	Post	Post			
(comban)	003201	F Comerica Bank	121608	12/16/08 01/11	\$1,022.63	\$0.00	\$0.00	\$0.00	\$0.00	\$1,022.63	Post	Post			
(cx8601)	003251	H Cox Communications,	123108	12/31/08 12/31	\$186.00	\$0.00	\$0.00	\$0.00	\$0.00	\$186.00	Post	Post			
(cx9904)	003198	P Cox Communications,	122708	12/31/08 01/21	\$750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750.00	Post	Post			
003214	PAY	Cox Communications,	120108	12/01/08 12/21	\$0.00	\$745.00	\$0.00	\$0.00	\$0.00	\$745.00	Post	Post			
(emjone)	003185	P Matthew Jones	WER1215	12/15/08 12/11	\$0.00	\$99.90	\$0.00	\$0.00	\$0.00	\$99.90	Post	Post			
(ergilm)	003222	PA Ryan Gilmore	122808pay	12/28/08 12/21	\$0.00	\$260.00	\$0.00	\$0.00	\$0.00	\$260.00	Post	Post			
(fedex)	002949	HC FedEx	2.89E+08	08/28/08 09/01	\$0.00	\$0.00	\$0.00	\$0.00	\$11,839.00	\$11,839.00	n/a	Post			
(infrac)	003194	PA\ InfraCom Solutions, LI	123108	12/31/08 12/31	\$4,662.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,662.00	Post	Post			
003063	HOLD	Insolutions, Inc.	100108	10/01/08 10/31	\$0.00	\$0.00	\$7,550.00	\$0.00	\$0.00	\$7,550.00	Post	Post			
(norres)	003244	HC NorthEast Resources	121808veri	12/18/08 12/11	\$0.00	\$2,141.23	\$0.00	\$0.00	\$0.00	\$2,141.23	Post	Post			
003245	HOLD	NorthEast Resources	121808EC	12/18/08 12/11	\$0.00	\$6,026.85	\$0.00	\$0.00	\$0.00	\$6,026.85	Post	Post			
003246	HOLD	NorthEast Resources	121908Mai	12/19/08 12/11	\$0.00	\$17,500.00	\$0.00	\$0.00	\$0.00	\$17,500.00	Post	Post			
003247	HOLD	NorthEast Resources	123108mci	12/31/08 12/31	\$18,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,000.00	Post	Post			
003248	HOLD	NorthEast Resources	123108mcr	12/31/08 12/31	\$3,723.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,723.00	Post	Post			
003249	HOLD	NorthEast Resources	123108nov	12/31/08 12/31	\$1,518.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,518.00	Post	Post			
003250	HOLD	NorthEast Resources	123108dec	12/31/08 12/31	\$4,764.71	\$0.00	\$0.00	\$0.00	\$0.00	\$4,764.71	Post	Post			
(pacgas)	003002	H Pacific Gas & Electric	91508	09/15/08 10/01	\$0.00	\$0.00	\$21.01	\$0.00	\$0.00	\$21.01	n/a	Post			
003040	HOLD	Pacific Gas & Electric	101608	10/16/08 11/01	\$0.00	\$0.00	(\$97.05)	\$0.00	\$0.00	(\$97.05)	Post	Post			
003216	PAY	Pinnacle Business Fin	1226028	12/26/08 12/21	\$0.00	\$4,433.49	\$0.00	\$0.00	\$0.00	\$4,433.49	Post	Post			
003217	PAY	Pinnacle Business Fin	17227027	12/26/08 12/21	\$0.00	\$426.60	\$0.00	\$0.00	\$0.00	\$426.60	Post	Post			
003058	HOLD	Shustak & Partners,	113108	10/31/08 11/31	\$0.00	\$0.00	\$4.31	\$0.00	\$0.00	\$4.31	Post	Post			
(stigha)	003112	PA Stinger Graffarin	134597	11/30/08 11/31	\$0.00	\$0.00	\$6,811.43	\$0.00	\$0.00	\$6,811.43	Post	Post			
003210	HOLD	Stinger Graffarin	138542	12/31/08 12/31	\$6,811.43	\$0.00	\$0.00	\$0.00	\$0.00	\$6,811.43	Post	Post			
(toyfin)	003195	PA\ Toyota Financial Servi	123108	12/31/08 01/21	\$587.09	\$0.00	\$0.00	\$0.00	\$0.00	\$587.09	Post	Post			
Total										\$58,498.41	\$32,900.41	\$14,268.69	\$21.01	\$11,839.00	\$117,527.52

Case Number: B-08-13372-PHX-CGC

CASE STATUS

QUESTIONNAIRE

	YES	NO
Have any funds been disbursed from any accounts other than a Debtor-in-Possession account?	y	
Are any post-petition receivables (accounts, notes or loans) due from related parties?		x
Are any wages past due?		x
Are any U. S. Trustee quarterly fees delinquent?		x

Provide a detailed explanation of any "YES" answers to the above questions: (attach additional sheets if needed)

Omega Trust Account had \$410,472.2 in receipts and \$348,797.38 in disbursements

Current number of employees: 14; as of 12-31-08

INSURANCE

Carrier & Policy Number	Type of Policy	Period Covered	Payment Amount & Frequency
The Hartford; 59uecu01836	Auto	4-11-08 to 4-11-09	\$1203 annual premium; monthly payment
Zurich;PPS 01518929	General Liability	12-01-08 to 11-30-09	
			\$8023 annual premium; partial amounts c

What steps have been taken to remedy the problems which brought on the chapter 11 filing?

Identify any matters that are delaying the filing of a plan of reorganization:

ts

due quarterly

DISBURSEMENT DETAIL

Month: Dec. 2008

Please use a separate form for each bank account

Account # 375-555-7355

Bank Name Bank of America

Cash/Electronic Disbursements			
Date	Payee	Purpose	Amount
12/1/2008	Matt Jones	Travel and other expenses	8863.62
12/1/2008	Bank of America	bank fees	20.00
12/17/2008	Bank of America	bank fees	2.00
12/19/2008	AT&T	phone services	2158.54
12/19/2008	AT&T	phone services	82.89
12/19/2008	Pinnacle Business	lease	9720.18
12/19/2008	Bank of America	bank fees	10.00
12/19/2008	Bank of America	bank fees	5.00
12/23/2008	ADP	Dec 31 payroll	39403.66
12/23/2008	Intellipower	materials/trails for job	775.00
12/31/2008	B of A	bank fees	0.44
		Total Cash/Electronic Disbursements	61,041.33

CHECKS ISSUED				
Check Number	Date	Payee	Purpose	Amount
1043	12/8/2008	Aflac	supplemental health insurance	1162.02
1044	12/12/2008	Bank of America Payroll DIP	transfer to payroll DIP account	700
1045	12/12/2008	Carmichael and Powell	legal	234
1046	12/12/2008	Cherokee Metro. District	utility	96.39
1047	12/12/2008	Comerica Bank	interest expense	1142.25
1048	12/12/2008	Cox Communications	internet	745
1049	12/12/2008	David Dollins	expense reimbursement	1347.52
1050	12/12/2008	Ruth-Ann Keasler	expense reimbursement	254.45
1051	12/12/2008	The Hartford	car insurance	207.42
1052	12/12/2008	Toyota Financial Services	car lease payment	587.09
1053	12/12/2008	Transamerica Occidental	insurance	250.9
1054	12/19/2008	Carmichael and Powell	legal	5590
1055	12/19/2008	City of Phoenix	license fee	50
1056	12/19/2008	Jason Kehr	contractor	415
1057	12/19/2008	DelteK Systems, Inc.	software maintenance fee	891.92
1058	12/19/2008	David Dollins	expense reimbursement	1543.6
1059	12/19/2008	Jonathan Settles	expense reimbursement	360.62
1060	12/19/2008	Michael Jones	expense reimbursement	508.74
1061	12/19/2008	Ruth-Ann Keasler	expense reimbursement	1072.05
1062	12/19/2008	Tom Gilmore	expense reimbursement	1644.6
1063	12/19/2008	InfraCom Solutions, LLC	1099 laborer	3663
1064	12/19/2008	Mobile Science	contractor\1099 laborer	2100
1065	12/19/2008	OneBeacon	insurance remainder fee	941.67

1066	12/19/2008	Staples	office supplies	115.46
1067	12/19/2008	Stinger Graffarin	direct laborer	6811.43
1068	12/19/2008	US Custom	shipping	364.92
1069	12/24/2008	Zurich	general insurance	2075
1071	12/24/2008	Adobe Storage	storage unit	241.11
1072	12/24/2008	Bank o f America Payroll DIP	transfer to payroll DIP account	2500
1073	12/24/2008	CIT Technology	equipment lease	986.51
1074	12/24/2008	Dvid Dollins	expense reimbursement	950.87
1075	12/24/2008	Don Williams	expense reimbursement	819.81
1076	12/24/2008	Jack Phavong	expense reimbursement	40.92
1077	12/24/2008	Jonathan Settles	expense reimbursement	829.3
1078	12/24/2008	Michael Jones	expense reimbursement	283.62
1079	12/24/2008	Ruth Ann Keasler	expense reimbursement	1425.4
1080	12/24/2008	Infracom Solutions, LLC	1099 laborer	5032
1081	12/24/2008	Stinger Graffarin	direct laborer	6811.43
1082	12/24/2008	Zeillinger and Associates	marketing\consulting	10000
Total checks listed on this page				
Total checks listed on continuation pages				64,796.02

TOTAL DISBURSEMENTS FOR THE MONTH (include cash/electronic disbursements)	125,837.35
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CHECK REGISTER (ONE CA SH ACCT)
FOR THE PER D ENDING 12/31/2008

STARTING C#: 104 3 ENDING CHECK #: 1082

CASH	CHECK	CHECK	VOUCHER	INVOICE	VOUCHER	VOUCHER	DISCOUNT	CHECK	
ACCOUNT	NUMBER	DATE	VENDOR NAME	NO	DATE	AMOUNT	AMOUNT	AMOUNT	
0117 - 000	1043	12/8/2008	Aflac	3092	982065	11/1/2008	387.34	0	387.34
				3093	355909	11/1/2008	387.34	0	387.34
				3094	738323	11/22/2008	387.34	0	387.34
					CHECK TOT	AL:	1162.02	0	1162.02
0117 - 000	1044	12/12/2008	B of A DIP Pay	3138	121208	12/12/2008	700	0	700
					CHECK TOT	AL:	700	0	700
0117 - 000	1045	12/12/2008	Carmichael & F	3110	110108	11/1/2008	234	0	234
					CHECK TOT	AL:	234	0	234
0117 - 000	1046	12/12/2008	Cherokee Metr	3104	1101008	11/1/2008	96.39	0	96.39
					CHECK TOT	AL:	96.39	0	96.39
0117 - 000	1047	12/12/2008	Comerica Bank	3095	111408	11/14/2008	1142.25	0	1142.25
					CHECK TOT	AL:	1142.25	0	1142.25
0117 - 000	1048	12/12/2008	Cox Communic	3109	112508	11/25/2008	745	0	745
					CHECK TOT	AL:	745	0	745
0117 - 000	1049	12/12/2008	David Dollins	3101	WER112008	11/20/08	61.68	0	61.68
				3102	WER111408	11/14/08	1285.84	0	1285.84
					CHECK TOT	AL:	1347.52	0	1347.52
0117 - 000	1050	12/12/2008	Ruth-Ann Keas	3103	WER120108	11/20/08	254.45	0	254.45
					CHECK TOT	AL:	254.45	0	254.45
0117 - 000	1051	12/12/2008	The Hartford	3107	120108	12/1/2008	207.42	0	207.42
					CHECK TOT	AL:	207.42	0	207.42
0117 - 000	1052	12/12/2008	Toyota Financi	3114	113008	11/30/2008	587.09	0	587.09
					CHECK TOT	AL:	587.09	0	587.09
0117 - 000	1053	12/12/2008	Transamerica O	3097	113008	11/30/2008	250.9	0	250.9
					CHECK TOT	AL:	250.9	0	250.9
0117 - 000	1054	12/19/2008	Carmichael & F	3148	120108-1	12/1/2008	590	0	590

			3155	121908	12/19/2008	5000	0	5000
					--	-----	-----	-----
			CHECK TOT	AL:		5590	0	5590
0117 - 000	1055	12/19/2008 City of Phoenix	3140	113008	11/30/2008	50	0	50
					--	-----	-----	-----
			CHECK TOT	AL:		50	0	50
0117 - 000	1056	12/19/2008 Jason Kehr	3158	KEHR-001	12/15/2008	415	0	415
					--	-----	-----	-----
			CHECK TOT	AL:		415	0	415
0117 - 000	1057	12/19/2008 Deltek Systems	3082	88405	11/3/2008	891.92	0	891.92
					--	-----	-----	-----
			CHECK TOT	AL:		891.92	0	891.92
0117 - 000	1058	12/19/2008 David Dollins	3156	WER121908	1 12/19/08	1313.28	0	1313.28
			3157	WER121908	2 12/19/08	230.32	0	230.32
					--	-----	-----	-----
			CHECK TOT	AL:		1543.6	0	1543.6
0117 - 000	1059	12/19/2008 Jonathan Settler	3153	WER120108	1 12/01/08	360.62	0	360.62
					--	-----	-----	-----
			CHECK TOT	AL:		360.62	0	360.62
0117 - 000	1060	12/19/2008 Michael Jones	3152	WER121908	1 12/19/08	508.74	0	508.74
					--	-----	-----	-----
			CHECK TOT	AL:		508.74	0	508.74
0117 - 000	1061	12/19/2008 Ruth-Ann Keas	3151	WER121508	1 12/15/08	1072.05	0	1072.05
					--	-----	-----	-----
			CHECK TOT	AL:		1072.05	0	1072.05
0117 - 000	1062	12/19/2008 Tom Gilmore	3154	WER121908	1 12/19/08	1644.6	0	1644.6
					--	-----	-----	-----
			CHECK TOT	AL:		1644.6	0	1644.6
0117 - 000	1063	12/19/2008 InfraCom Solut	3116	113008	11/30/2008	3663	0	3663
					--	-----	-----	-----
			CHECK TOT	AL:		3663	0	3663
0117 - 000	1064	12/19/2008 Mobile Science	3113	113008	11/30/2008	2100	0	2100
					--	-----	-----	-----
			CHECK TOT	AL:		2100	0	2100
0117 - 000	1065	12/19/2008 OneBeacon	3096	110108	11/1/2008	941.67	0	941.67
					--	-----	-----	-----
			CHECK TOT	AL:		941.67	0	941.67
0117 - 000	1066	12/19/2008 Staples Credit	3105	98508	11/1/2008	25.42	0	25.42
			3106	53329	11/1/2008	90.04	0	90.04
					--	-----	-----	-----
			CHECK TOT	AL:		115.46	0	115.46
0117 - 000	1067	12/19/2008 Stinger Graffar	3029	128797	9/30/2008	6811.43	0	6811.43
					--	-----	-----	-----
			CHECK TOT	AL:		6811.43	0	6811.43
0117 - 000	1068	12/19/2008 US Customs ar	3147	451925582	12/19/2008	364.92	0	364.92
					--	-----	-----	-----

Cash Forecast

For 12-15-08 Reporting

	ending Jan 31, 2009	ending Feb 28, 2009	ending Mar 31 2009
Beginning Cash	159,106	662,174	624,720
Cash Inflow:			
from Collection of AR Billing:			
PrePetition AR:	-		
1014-001 RNB	-		
1022-002-Gate J5	-		
1023-003-DLS	-		
1026-001 Tradoc			
1031-001-IRIS	-		
1032-001-Artel	-		
1034-001-Eyak	-		
1035-001-Tradoc DTTC Support Services	-		
	-		
Post-Petition AR:	-		
1014-001 RNB	15,807	15,807	15,807
1022-002-Gate J5	14,702	14,702	14,702
1023-003-DLS		248,537	
1031-001-IRIS	-		
1032-001-Artel	161,667	161,667	161,667
1034-001-Eyak	44,000	64,400	64,400
1035-001-Tradoc DTTC Support Services	754,602	374,470	236,667
Cosmic	13,760	17,400	17,400
Comerica Line of Credit Borrowing	-		
	-		
Ending before Cash Outflow	1,163,644	1,559,157	1,135,363

Cash Outflow:

Variable Costs\Expenses:

Active Jobs:

1014-001 RNB	-		
1022-002-Gate J5	25,600	12,800	12,800
1023-003-DLS		220,000	
1031-001-IRIS	-		
1032-001-Artel	131,400	131,400	131,400
1034-001-Eyak	-		
	5,032	5,032	5,032
1035-001-Tradoc DTTC Support Service Marshall T	17,675	17,675	17,675
Cox T1	745	745	745
Verizon Ph	205	205	205
Undetermir	34,000	34,000	34,000
Materials	100,000	300,000	400,000
Subcontrac	10,000	10,000	10,000
Subcontrac	7,000	7,000	7,000
Subcontrac	10,000	10,000	10,000

	-		
	-		
	-		
Post Petition:			
1) Fixed Expenses\Recurring Expenses:	159,813	161,733	161,733
2) Current AP			
3) Post Petition Liabilities not in AP			

- Pre-Petition AP:**
- 1) AP list
 - 2) Pre-Petition Liabilities not in AP

Line of Credit Repayment not in AP			
Comerica		23,847	23,847
Jones and McDaniel			

Loan Needed from Jones and McDaniel

Ending Balance	662,174	624,720	320,926
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Ending Apr 30 2009	Ending May 31 2009	Ending June 30 2009
320,926	518,327	497,248

15,807	15,807	15,807
14,702	14,702	14,702

161,667	161,667	161,667
64,400	64,400	64,400
337,862	95,535	95,535
17,400	17,400	17,400

932,764	887,838	866,759
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12,800	12,800	12,800
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131,400	131,400	131,400
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5,032	5,032	5,032
17,675	17,675	17,675
745	745	745
205	205	205
34,000	34,000	34,000

10,000	10,000	10,000
7,000	7,000	7,000
10,000	10,000	10,000

161,733

161,733

161,733

23,847

518,327

497,248

476,169