

Evergreen Investments, Incorporated
Transmittal of Compliance with United States
Trustee Operating Requirements for the Period Ended
December 31, 2007

FILED
Form 1

2008 Jan 21 AM 11:26

CLERK U.S. BANKRUPTCY COURT
 NORTHERN DISTRICT OF OHIO
 AKRON

IN RE: EVERGREEN INVESTMENTS, LLC Case No.: 07-51262
 Chapter 11 Judge: Marilyn Shea Stonum

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<input checked="" type="checkbox"/>	Operating Statement	(Form 2)
<input checked="" type="checkbox"/>	Balance Sheet	(Form 3)
<input checked="" type="checkbox"/>	Summary of Operations	(Form 4)
<input checked="" type="checkbox"/>	Monthly Cash Statement	(Form 5)
<input checked="" type="checkbox"/>	Statement of Compensation	(Form 6)
<input checked="" type="checkbox"/>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That insurance, including workers' compensation and unemployment insurance as described in Section 4 of the Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation)

YES NO

3. That all postpetition taxes as described in Sections 1 and 14 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current and, (If not, attach a written explanation).

YES NO

4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization, and (If not, attach a written explanation).

YES NO

5. All United States Trustee Quarterly fees have been paid and are current?

YES NO

6. Have you filed your prepetition tax returns?

YES NO

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct.

1/18/08
 Date

CS Neutchan C.O.O.
 Responsible Officer of the Debtor in Possession
C.O.O. (330) 762-1881
 Title Phone


Evergreen Investments, Incorporated

Operating Statement Period Ending December 31, 2007

Case No. 07-51262

Form 2

	<u>Current Month</u>	<u>Total Since Filing</u>
<u>Revenues:</u>		
Interest Income - Intercompany (from EH)	\$0	\$451,818
Interest Income - Related Entity (Brittain Holdings)	\$0	\$22,733
Other Fee Income	\$5,018	\$39,031
Other	<u>\$0</u>	<u>\$0</u>
Total Revenues	<u>\$5,018</u>	<u>\$513,581</u>
<u>Expenses:</u>		
Officer Compensation	\$0	\$0
Management Fees - Intercompany (to EH)	\$7,317	\$76,510
Bad Debt Expense	\$0	\$4,439,869
Rent and Lease Expense	\$0	\$0
Depreciation	\$893	\$5,357
Travel and Entertainment	\$0	\$0
Repairs and Maintenance	\$0	\$0
Advertising	\$0	\$0
Supplies, Office Expense, etc.	<u>\$0</u>	<u>(\$162)</u>
Total Expenses	<u>\$8,209</u>	<u>\$4,521,573</u>
Net Operating Profit (Loss)	<u>(\$3,192)</u>	<u>(\$4,007,992)</u>
<u>Non Operating Income:</u>		
Interest Income	\$0	\$0
Other Income	\$0	\$35
<u>Non Operating Expenses:</u>		
Professional Fees	\$0	\$7,000
U. S. Trustee Fees	<u>(\$250)</u>	<u>\$1,750</u>
Net Income (Loss)	<u>(\$2,942)</u>	<u>(\$4,016,707)</u>



Responsible Officer of the Debtor in Possession



Date

Evergreen Investments, Incorporated

Balance Sheet

Case No. 07-51262

Period Ending December 31, 2007

Form 3

	December 31, 2007 <u>(Current Month)</u>	November 30, 2007 <u>(Prior Month)</u>	April 30, 2007 <u>(At Filing)</u>
<u>Assets:</u>			
Cash	\$66,044	\$54,990	\$864
Accounts Receivables	\$5,500,486	\$5,506,522	\$6,180,899
Allowance for Loan Loss	(\$4,089,317)	(\$4,089,317)	(\$89,872)
Disc. on Mortgage Notes, net of amort.	(\$352,354)	(\$352,354)	(\$352,354)
Disc. on Mortgage Notes Receivables	\$69,025	\$69,025	\$69,025
Non-Residential R. E. Receivable (Brittain Holdings)	\$698,921	\$698,921	\$470,972
Furniture, Fixtures & Equipment	\$36,946	\$36,946	\$36,946
Accumulated Depreciation	(\$34,390)	(\$33,497)	(\$29,926)
Inter-Company Receivable (Evergreen Homes, LLC)	\$6,249,749	\$6,257,065	\$5,868,013
Total Assets	<u>\$8,145,109</u>	<u>\$8,148,301</u>	<u>\$12,154,567</u>
<u>Liabilities:</u>			
Postpetition Liabilities:			
Accounts Payable	\$7,000	\$7,000	\$0
Accrued Payroll	\$0	\$0	\$0
Accrued Expenses	\$250	\$500	\$0
Insider Payable	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Postpetition Liabilities	<u>\$7,250</u>	<u>\$7,500</u>	<u>\$0</u>
Secured Liabilities:			
Subject to Postpetition	\$0	\$0	\$0
Collateral or Financing Order	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
All Other Secured Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Prepetition Liabilities:			
Taxes & Other Priority Liabilities	\$0	\$0	\$0
Subordinated Investment Certificates	\$12,537,100	\$12,537,100	\$12,537,100
Accrued Interest Payable (Certificates)	\$1,006,444	\$1,006,444	\$1,006,444
Unsecured Liabilities	\$126,802	\$126,802	\$126,802
Checks Not Cleared	\$1,198	\$1,198	\$1,198
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Prepetition Liabilities	<u>\$13,671,545</u>	<u>\$13,671,545</u>	<u>\$13,671,545</u>
<u>Equity:</u>			
Owners Capital	\$363,074	\$363,074	\$363,074
Common Stock	\$500	\$500	\$500
Draws - Willan	(\$14,500)	(\$14,500)	(\$14,500)
Retained Earnings - Pre Petition	(\$1,866,053)	(\$1,866,053)	(\$1,866,053)
Retained Earnings - Post Petition	<u>(\$4,016,707)</u>	<u>(\$4,013,765)</u>	<u>\$0</u>
Total Equity (Deficit)	<u>(\$5,533,685)</u>	<u>(\$5,530,743)</u>	<u>(\$1,516,978)</u>
Total Liabilities and Equity	<u>\$8,145,109</u>	<u>\$8,148,301</u>	<u>\$12,154,566</u>


Responsible Officer of the Debtor in Possession1/18/08
Date

Evergreen Investments, Incorporated

Summary of Operations Period Ending December 31, 2007

Case No. 07-51262

Form 4

Schedule of Postpetition Taxes Payable:

	<u>Beginning Balance</u>	<u>Accrued Withheld</u>	<u>Payments Deposits</u>	<u>Ending Balance</u>
<u>Income Taxes Withheld:</u>				
Federal	\$0	\$0	\$0	\$0
State	\$0	\$0	\$0	\$0
FICA	\$0	\$0	\$0	\$0
Employers FICA	\$0	\$0	\$0	\$0
Local (Akron)	\$0	\$0	\$0	\$0
<u>Unemployment Taxes:</u>				
FUTA	\$0	\$0	\$0	\$0
SUTA	\$0	\$0	\$0	\$0
<u>Taxes:</u>				
Personal Property Tax	\$0	\$0	\$0	\$0
Real Estate Taxes	\$0	\$0	\$0	\$0
Workers Comp	\$0	\$0	\$0	\$0
IRS Penalties	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTALS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Aging of Accounts Receivable and Postpetition Accounts Payable:

<u>Age in Days</u>	<u>0-30 Days</u>	<u>30-60 Days</u>	<u>> 60 Days</u>	<u>Total</u>
Accounts Receivable	\$47,047	\$44,352	\$620,797	\$712,196
Accounts Payable	-\$250	\$7,250	\$250	\$7,250

For all Postpetition accounts payable over 30 days old, please attach a sheet listing such account, to whom the account is Owed, the date the account was opened and the reason for the non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a plan of reorganization:

(See Attached Explanation)

C. S. Neutshman C.O.O.
Responsible Officer of the Debtor in Possession

1/18/08
Date

Evergreen Investments, Inc.
Monthly Operating Statements for December 2007
Explanation of Modifications to Monthly Reporting

- (1) In December 2007, as a result of the Company's former Chief Operating Officer being indicted for multiple counts of money laundering, along with an agreement reached with a third party to an investment held by the Company, it was decided to discontinue the accrual of monthly interest on the Brittain Holdings receivable. The effect on results from operations for the month of December 2007 was an increase to the net loss by \$4,800. At this time, the ultimate impact on the overall collectibility for this receivable is not known, and thus, no specific reserve has been established for this asset.

Evergreen Investments, Incorporated

Monthly Cash Statement Period Ending December 31, 2007

Case No. 07-51262

Form 5

Cash Activity Analysis (Cash Basis only):

	<u>Bank Account, by type</u>		
	<u>General</u>	<u>Payroll</u>	<u>Taxes</u>
A. Beginning Balance	\$54,989.88	\$0.00	\$0.00
B. Receipts (Attach Separate Schedule)	<u>\$11,054.39</u>	<u>\$0.00</u>	<u>\$0.00</u>
C. Balance Available	\$66,044.27	\$0.00	\$0.00
D. Less Disbursements (Attach Separate Schedule)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
E. Ending Balance	<u>\$66,044.27</u>	<u>\$0.00</u>	<u>\$0.00</u>

(Copies of the most recent reconciled bank statements for each account are attached)

General Account:

1. Depository Name & Location Key Bank
2. Account Number 350421004242

Payroll Account:

1. Depository Name & Location Key Bank
2. Account Number N/A

Tax Account:

1. Depository Name & Location Key Bank
2. Account Number N/A

C. S. Neutzhman C.O.O.
Responsible Officer of the Debtor in Possession

1/18/08
Date

Evergreen Investments, Incorporated
Transactions by Account - General
As of December 31, 2007

Case No. 07-51262

<u>Type</u>	<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
Key Ch 11 242							\$54,989.88
Deposit	12/03/07		Deposit	Mortgage Note Receivable	\$891.93		\$55,881.81
Deposit	12/04/07		Deposit	-SPLIT-	\$639.44		\$56,521.25
Deposit	12/06/07		Deposit	-SPLIT-	\$521.68		\$57,042.93
Deposit	12/07/07		Deposit	-SPLIT-	\$1,364.93		\$58,407.86
Deposit	12/07/07		Deposit	-SPLIT-	\$771.88		\$59,179.74
Deposit	12/10/07		Deposit	-SPLIT-	\$1,587.53		\$60,767.27
Deposit	12/13/07		Deposit	-SPLIT-	\$1,205.45		\$61,972.72
Deposit	12/17/07		Deposit	-SPLIT-	\$3,055.94		\$65,028.66
Deposit	12/21/07		Deposit	Mortgage Note Receivable	\$367.61		\$65,396.27
Deposit	12/28/07		Deposit	Mortgage Note Receivable	\$648.00		\$66,044.27
				TOTAL ==>			\$0.00
							\$0.00

Evergreen Investments

KeyNotes (con't)

may apply; please refer to specific account disclosures for details.

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EVERGREEN INVESTMENT CORP, CASE#07-51262
MANDIE L PUGH TRUSTEE

Beginning balance 11-30-07	\$54,989.88
10 Additions	+ 11,054.39
Ending balance 12-31-07	\$66,044.27

Additions	<u>Deposits</u>	<u>Date</u>	<u>Serial #</u>	<u>Source</u>	
		12-4		Customer Deposit	\$891.93
		12-4		Customer Deposit	639.44
		12-5		Customer Deposit	521.68
		12-7		Customer Deposit	1,364.93
		12-7		Customer Deposit	771.88
		12-10		Customer Deposit	1,587.53
		12-17		Customer Deposit	3,055.94
		12-18		Customer Deposit	1,205.45
		12-21		Customer Deposit	367.61
		12-28		Customer Deposit	648.00
				Total additions	\$11,054.39

Evergreen Investments, Incorporated

Monthly Statement for

Case No. 07-51262

Insider Compensation / Payments

Form 6

For the Month Ending December 31, 2007

The following information is to be provided for each shareholder, officer, director, manager, insider or owner that is employed by the debtor in possession.

Name: (No Employees)

Capacity: _____ Shareholder
_____ Owner
_____ Director
_____ Insider

Detail Description of Duties:

	<u>Monthly</u>
Current Draws	\$0.00
Current Benefits Paid:	
Health Insurance	
Life Insurance	\$0.00
Retirement (401k)	\$0.00
Company Vehicle	\$0.00
Entertainment	\$0.00
Travel	\$0.00
Phone Allowance	\$0.00
Total Benefits Paid	<u>\$0.00</u>
Current Other Payments Paid:	
Rent Paid	\$0.00
Loans	\$0.00
Other	\$0.00
Other	<u>\$0.00</u>
Total Other Payments	<u>\$0.00</u>
Current Total of all Payments	<u>\$0.00</u>

CS Deutchman c.o.o.
Responsible Officer of the Debtor in Possession

1/1/08
Date

Evergreen Investments, Incorporated

Schedule of In-Force Insurance
Period Ending December 31, 2007

Case No. 07-51262

Form 7

Insurance Type

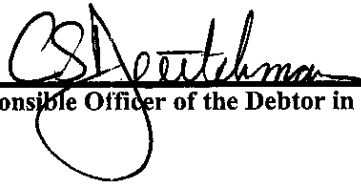
Carrier

Expiration Date

Workers Comp
General Business

N/A - No Employees

No Current Policy

 C.O.O.

Responsible Officer of the Debtor in Possession

1/18/08
Date