

SAUL EWING LLP  
John J. Jerome (JJ-2413)  
245 Park Avenue, Suite 2443  
New York, NY 10167  
Telephone: (212) 672-1996  
Facsimile: (212) 672-1920

Joyce A. Kuhns (JK-8435)  
Lockwood Place  
500 East Pratt Street, Suite 800  
Baltimore, MD 21202-3171  
Telephone: (410) 332-8600  
Facsimile: (410) 332-8862

Attorneys for Post-Dissolution Trustee of Impath  
Inc. and Trustee of the Impath Bankruptcy  
Liquidating Trust

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

-----X  
IN RE: : Chapter 11  
: :  
IMPATH INC., et al., : Case No. 03-16113 (PCB)  
: :  
Debtors. : (Jointly Administered)  
-----X

**FOURTEENTH POST-CONFIRMATION STATUS REPORT OF THE POST-  
DISSOLUTION TRUSTEE OF IMPATH INC. AND THE TRUSTEE OF THE  
IMPATH BANKRUPTCY LIQUIDATING TRUST PURSUANT TO  
SECTION 1106(a)(7) OF THE BANKRUPTCY CODE,  
LOCAL RULE 3021-1 AND THE POST-CONFIRMATION ORDER**

TO THE HONORABLE PRUDENCE C. BEATTY,  
UNITED STATES BANKRUPTCY COURT JUDGE:

David N. Phelps, Managing Director and Chief Operating Officer of Bridge Associates  
LLC as acting Post-Dissolution Trustee of Impath Inc. and acting Trustee of the Impath  
Bankruptcy Liquidating Trust (collectively, the "Trustee"), by his undersigned counsel and  
pursuant to Section 1106(a)(7) of Title 11 of the United States Code (the "Bankruptcy Code"),

Local Bankruptcy Rule (“Local Rule”) 3021-1 and this Court’s Post-Confirmation Order and Notice dated October 4, 2005 (the “Post-Confirmation Order”), represents:

**I. Background**

1. On September 28, 2003 (the “Petition Date”), Impath Inc. (“Impath”) and its debtor subsidiaries, as debtors and debtors in possession (together, the “Debtors”), each filed in this Court voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

2. During the course of these proceedings, substantially all of the Debtors’ assets were sold and a plan of liquidation was filed, subsequently amended, and confirmed by the Court (the “Plan”).

3. The Plan became effective on July 22, 2005 (the “Effective Date”), at which time the Debtors' estates were substantively consolidated. Pursuant to the Plan, certain assets of the Debtors were transferred for administration by the Trustee as Liquidating Trustee of the Impath Bankruptcy Liquidating Trust (the “Liquidating Trust”) and certain assets remained with Impath Inc., through its wind-down, for administration by the Trustee as its Post-Dissolution Trustee.

4. On October 5, 2005, the Post-Confirmation Order was entered requiring the Trustee to file on January 15th, April 15th, July 15th and October 15<sup>th</sup> of each year following the Effective Date until a final decree has been entered “a status report detailing the actions taken by the Trustee and the progress made toward consummation of the Plan”.

5. The Trustee has filed the following Post-Confirmation Reports to date: (i) First Post-Confirmation Report filed on January 23, 2006 [Docket No. 1461]; (ii) Second Post-Confirmation Report filed on April 13, 2006 [Docket No. 1468]; (iii) Third Post-Confirmation Report filed on July 25, 2006 [Docket No. 1489]; (iv) Fourth Post-Confirmation Report filed on

October 17, 2006 [Docket No. 1493]; (v) Fifth Post-Confirmation Report filed on January 19, 2007 [Docket No. 1512]; (vi) Sixth Post-Confirmation Report filed on April 20, 2007 [Docket No. 1515]; (vii) Seventh Post-Confirmation Report filed on July 16, 2007 [Docket No. 1517]; (viii) Eighth Post-Confirmation Report filed on October 17, 2007 [Docket No. 1521]; (ix) Ninth Post-Confirmation Report filed on January 7, 2008 [Docket No. 1523]; (x) Tenth Post-Confirmation Report filed on May 19, 2008 [Docket No. 1525], (xi) Eleventh Post-Confirmation Report filed on October 9, 2008 [Docket No. 1527]; (xii) Twelfth Post-Confirmation Report filed on January 15, 2009 [Docket No. 1530]; and (xiii) Thirteenth Post-Confirmation Report filed on April 22, 2009 [Docket No. 1532].

6. The Trustee files this Fourteenth Post-Confirmation Report to describe the actions taken and the progress that has been made towards consummation of the Plan since April 22, 2009.

## **II. Progress Made Toward Consummation of the Plan**

### **A. Appointment of Substitute Trustee**

7. Counsel is saddened to report that after almost four years of service to the Trust resulting in distributions in excess of \$94,700,000, on July 7, 2009, Anthony H.N. Schnelling, Chief Executive Officer of Bridge Associates LLC (“Bridge”) and Trustee under the Plan and Trust, passed away. Currently, David N. Phelps, Managing Director and Chief Operating Officer of Bridge, is serving as acting Trustee, subject to Court approval to be sought at a hearing currently scheduled for September 3, 2009 at 11:00 a.m. A more detailed explanatory letter was sent to all beneficial interest holders on July 30, 2009. A copy of the letter is posted at [www.bridgellc.com](http://www.bridgellc.com) and may be viewed by selecting “Client Sites” and then “Impath.”

B. Claims Resolution

8. On November 18, 2005, the Trustee filed the Ninth Omnibus Objection to Proofs of Claim (Late) (Books and Records) (CBOE and Adelson Claims) (Docket No. 1444) (the "Ninth Omnibus Objection"). As of the filing of the last report, only one claim remained, a priority tax claim by New York State for income taxes in the amount of \$443,296 for calendar years 2000 through 2002, which the Trustee disputed, and a related administrative claim for accruing penalty (Claim Nos. 860 and 3373). By Stipulation and Order that was entered on June 23, 2009 [Docket No. 1535], New York State's priority, unsecured and administrative claims (Nos. 860 and 3373) were settled and satisfied and valued at \$0.

C. Recovery of Additional Assets (Tax Refund Claims)

9. Outstanding state tax refunds to be recovered are approximately \$1,800,000 as of July 31, 2009 as the result of receipt of refunds from several states since the last report. It is not certain that all of these remaining tax receivables are recoverable or when a recovery may occur.

10. Impath received approximately \$1,436,800 from New York State in late July 2009 with regard to the amended tax returns that had been filed for calendar years 1999 through 2002 (the "Period"). New York State is still auditing calendar years 2003 through 2005 for which Impath has filed amended returns in the aggregate amount of \$496,600. At this time, New York State has not yet indicated when the audit will be completed or what the results of the audit will be.

11. Impath received approximately \$1,611,000 from New York City in June 2009 with regards to the tax refunds for calendar years 1999 through 2002. There are no further open tax matters with New York City.

12. The State of California has advised Impath that it will be auditing all or some of the calendar years 1999 through 2005. Impath had originally filed for California tax refunds of \$1,282,400 for the Period. However, California has not yet communicated to Impath or its advisors the periods to be audited and when the audit will begin.

13. The Trustee is not aware of what, if any, audits or additional reviews will be conducted by the other jurisdictions against which outstanding refund claims are pending.

14. The Trustee has settled his dispute with Zeptomatrix Corporation, one of the purchasers of certain assets of an Impath subsidiary, regarding entitlement to a tax refund. A stipulated order of dismissal of that adversary proceeding was entered by the Court on July 14, 2009.

15. Any interest received by Impath with respect to tax refunds is subject to federal and state income taxation. Impath has made requisite federal, state and local income tax deposits for 2009 because Impath will have taxable income for this year.

16. With regard to the remaining audits, the state taxing authorities can raise other issues including allocation and apportionment of income or loss to a particular state or local government. The Trustee cannot predict how long this process will take for each of the respective jurisdictions to complete the audits or act on the refund claims.

E. Current Assets and Distributions to Beneficial Interests

17. Since the inception of the Trust, the Trustee has distributed \$97,719,444 to holders of beneficial interests or \$5.64 for each Class A Beneficial Interest unit.

As of July 31, 2009, the Trustee had approximately \$4,809,000 of cash less accrued expenses of \$850,000 consisting of professional fee bonuses for Bridge Associates LLC of \$325,000.00 and for Saul Ewing LLP of \$325,000.00 and reserves for estimated expenses to close out these cases.

Dated: July 30, 2009

**SAUL EWING LLP**

By: /s/ John J. Jerome

John J. Jerome  
**SAUL EWING LLP**  
245 Park Avenue, Suite 2443  
New York, NY 10167  
Telephone: (212) 672-1996

and

Joyce A. Kuhns  
**SAUL EWING LLP**  
Lockwood Place  
500 East Pratt Street, Suite 800  
Baltimore, MD 21202-3171  
Telephone: (410) 332-8600

Counsel to Post-Dissolution Trustee of  
Impath Inc. and Trustee of the Impath  
Bankruptcy Liquidating Trust