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Attorneys for Anthony H.N. Schnellling, as 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

NINTH 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:

Anthony H.N. Schnellling, as Post-Dissolution Trustee of Impath Inc. and 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 15th 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]; and Eighth Post-Confirmation Report filed on October 17, 2007 [Docket No. 1521].

6. The Trustee files this Ninth Post-Confirmation Report to describe the actions he has taken and the progress that has been made towards consummation of the Plan since July 16, 2007.

II. Progress Made Toward Consummation of the Plan

A. Claims Resolution

7. 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"). Only one claim remains, a priority tax claim by New York State for income taxes in the amount of \$443,296, which the Trustee disputes. The tax years in dispute (2000-2002) are currently the subject of a tax audit by the Internal Revenue Service (the "IRS"). See paragraph 9 below. Upon resolution of the IRS tax audit, the Trustee believes that he will be able to resolve the New York state income tax dispute favorably to Impath Inc.

B. Recovery of Additional Assets (Tax Refund Claims)

8. We have previously reported that the Trustee and its predecessor, the Debtors, have filed federal, state and local tax refund claims of approximately \$28,500,000 for the years 1995 through 2005 of which \$21,500,000 relate to federal returns and \$7,000,000 relate to state and local returns for these years. The sum of approximately \$2,017,000 of state and local tax

refunds have been collected to date. Interest accrues at the various federal, state and local rates, where applicable, on the refund claims filed to the extent allowed.

9. We have been advised by the New York Office of the IRS that it has recommended to the Joint Committee On Taxation a refund of income taxes covering the years 1999 through 2005 in the amount of \$22,650,486, plus interest. The addition of approximately \$1,150,000 in refunds over the refund amount originally requested resulted from the work done by the Trustee and its counsel in dealing with the IRS personnel.

10. The Joint Committee consists of representatives of both houses of the United States Congress and is charged with approving the issuance of federal income tax refunds exceeding \$2 million. There is no formal timetable according to which the Joint Committee must process submissions. The Joint Committee has the right to and could seek clarifications of the information provided in the submission forwarded to it by the New York Office of the IRS or recalculate the refund. The Trustee cannot predict how long the Joint Committee might take to finalize its review nor what the result of that review will be.

11. The approval process of the approximately \$4,850,000 remaining in state and local income tax refunds can now commence because the calculation of state and local taxable income generally begins with the federal taxable income. State and local governments generally accept the IRS' determination of taxable income. However, the state and local tax authorities can raise other issues regarding allocation and apportionment of income to a particular state or local government. The Trustee cannot predict how long this process will take or whether the amount of the refunds claimed will be allowed in whole or in part.

C. Other Assets

12. As of this date, the Trustee has approximately \$4,100,000 of cash on hand, which includes the receipt of \$2,017,000 of state and local tax refunds.

Dated: January 7, 2008

SAUL EWING LLP

By: /s/ John J. Jerome

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Inc. and Trustee of the Impath
Bankruptcy Liquidating Trust

Miscellaneous:03-16113-pcb Impath Inc.**U.S. Bankruptcy Court
Southern District of New York**

Notice of Electronic Filing

The following transaction was received from Jerome, John J. entered on 1/7/2008 at 8:18 PM and filed on 1/7/2008

Case Name: Impath Inc.
Case Number: 03-16113-pcb
Document Number: 1523

Docket Text:

Post-Confirmation Report. *[Ninth 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]* filed by John J. Jerome on behalf of Anthony H.N. Schnelling, Post-Dissolution Trustee of Impath Inc.. (Jerome, John)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:U:\03-16113\954042.3\9th Post Confirmation Status Report.pdf

Electronic document Stamp:

[STAMP NYSBStamp_ID=842906028 [Date=1/7/2008] [FileNumber=6401988-0] [0c3b8dff824fe2ebce2ab1cd2713d054c6135fef32ae8714f558d58cf564ed5e4f0059f0e298aa5a8f233632bb51792c3ce1161305c2f2ebec059b75969166e]]

03-16113-pcb Notice will be electronically mailed to:

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