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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**

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

DKT. NO. 1515
DT. FILED 4/20/07

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]; and (v) Fifth Post-Confirmation Report filed on January 19, 2007 [Docket No. 1512].

6. The Trustee files this Sixth Post-Confirmation Report to describe the actions he has taken and the progress that has been made towards consummation of the Plan since January 19, 2007.

II. Progress Made Toward Consummation of the Plan

A. Claims Resolution

(i) Administrative Claims.

7. On February 8, 2007, an Order entered approving the Trustee settlement with respect to the sole remaining New York State Medicare claim [Docket No. 1514], which has now been paid and is fully satisfied.

(ii) Remaining Omnibus Claims.

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"). All but two claims were resolved on or before the scheduled hearing and the hearing on the two remaining claims, consisting of a priority tax claim in the amount of \$443,296 and surety bond claims in the aggregate amount of \$688,439, was adjourned to allow the parties to attempt a consensual resolution. The Trustee disputes his liability for these claims and is working to resolve them.

B. Recovery of Additional Assets (Tax Refund Claims).

9. The Trustee and its predecessor, the Debtors, have filed federal, state and local tax refund claims of approximately \$28,500,000, including interest, for 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 \$2,016,556 of state and local tax refunds have been collected to date. Interest accrues at the various state and local rates, where applicable, on the state and local refund claims filed to the extent allowed.

10. The Internal Revenue Service (the "IRS") commenced an audit of tax years 1999 through 2005 beginning in December 2005 and has been engaged in its fieldwork through the date of this Report. The fieldwork has encompassed an extensive review of the Debtors' books and records, including the accounting investigation commenced in the late summer of 2003, which gave rise to the filing of amended federal, state and local tax returns for years 1995 through 2002. The IRS has issued a series of Information Document Requests to the Trustee requesting the production of all accounting system transaction data and other documents and legal support on a wide range of issues relating to the tax returns for the tax years under audit. To date, the Trustee and his professionals have invested extensive efforts to produce and deliver materials that are responsive to the Information Document Requests. It is expected that the IRS will make additional requests which the Trustee and his professionals will respond to, on a timely basis, in an effort to expedite the audit process.

11. While it is not possible to predict when and in what amount the taxing authorities will finally allow the refund claims, the Trustee is confident that the extensive work product presented to the IRS agents by the Trustee, as outlined in the previous Post-

Confirmation Reports, and the timely responses to each of the IRS' Information Document Requests will facilitate the audit process. The Trustee's professionals continue to meet with the IRS agents assigned to the matter on a regular basis.

Dated: April 20, 2007

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