



04009402

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS

Hauser, Inc.
Exact Name of Registrant as Specified in Charter

0000773723
Registrant CIK Number

Form 8-K FOR 2/26/04
Electronic Report, Schedule or Registration
Statement of Which the Documents Are a Part
(give period of report)

0-17174
SEC File Number, if available

PROCESSED
MAR 01 2004
THOMSON
FINANCIAL

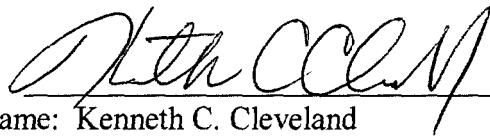
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SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California on the 23rd day of February 2004.

HAUSER, INC.

By:



Name: Kenneth C. Cleveland

Title: President and Chief Executive Officer

**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS MONTHLY
OPERATING REPORT FOR THE MONTH ENDED JANUARY 31, 2004 IS BEING
FILED IN PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP
EXEMPTION**

**MONTHLY OPERATING REPORT
FOR THE MONTH ENDED JANUARY 31, 2004**

OF

**HAUSER, INC. AND ITS WHOLLY OWNED SUBSIDIARIES BOTANICALS
INTERNATIONAL EXTRACTS, INC., HAUSER TECHNICAL SERVICES, INC. AND
ZETAPHARM, INC.**

COPY

Office of the United States Trustee ~

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18788-BB

Debtor In Possession Operating Report

Report Number: 10

For the period: 30

FROM: January 1, 2004
TO: January 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
		EXPENSES	
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:			
		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
		EXPENSES	
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	81,887	-
Overdue - 31 - 60 Days	145	483,311
Overdue - 61 - 90 Days	(17,625)	-
Overdue - 91 - 120 Days	3,791	2,651
Overdue - Over 121 Days	-	333,575
TOTAL	68,198	819,537

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: _____

N/A

Gross Sales Subject to Sales Tax for Period: _____

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes			N/A
State Payroll and Withholding Taxes			N/A
State Sales and Use Taxes			-
Real Property Taxes			-

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

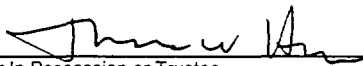
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3902	\$ -
9/30/2003	None	\$ 250	11/20/2003	\$ 250	4690	\$ -
9/30/2003	None	\$ 7,750	12/29/2003	\$ 7,750	4888	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: February 12, 2004


 Debtor In Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2004	4/1/2004
California	Incl			
Colorado	Incl			
Liability	Evanston Insurance/Acordia	\$1MM/\$2MM	2/15/2004	2/15/2004
Property	St. Paul/Acordia	See Below	2/1/2004	2/1/2004
Real Property	St. Paul/Acordia	4,139,502	"	"
Personal Property	St. Paul/Acordia	918,487	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	11,000,000	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	2/15/2004	2/15/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia			
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
EPL	Hudson Insurance/Acordia	1,000,000	2/8/2004	2/8/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	2/8/2004	2/8/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	2/8/2004	2/8/2004

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 10

Miscellaneous Operating Expenses		

Total Miscellaneous Operating Expenses

Legal and Professional Fees		

Total Legal and Professional Fees

Other Non-Operating Expenses

Total Other Non-Operating Expenses

Botanicals International Extracts, Inc.

January 31, 2003

(dollars in thousands)

	Current Month Actual	Ten Months Ended Year-to-date Actual
Sales	\$ 180	\$ 16,253
Cost of Sales	<u>18</u>	<u>12,841</u>
Gross margin	162	3,412
Sales and marketing	-	1,533
G & A expenses	<u>(25)</u>	<u>646</u>
Total	<u>(25)</u>	<u>2,179</u>
Contribution	<u>187</u>	<u>1,233</u>
Corporate Services		<u>1,635</u>
Operating income (loss)	<u>187</u>	<u>(402)</u>
Interest expense		<u>(289)</u>
Profit (Loss) before Other Income (Expense)	<u>187</u>	<u>(691)</u>
Gain/Loss on Disposal of Assets	-	(609)
Chapter 11 Reorganization Costs	-	-
Profit (loss) before tax	<u>187</u>	<u>(1,299)</u>
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$187</u>	<u>(\$1,299)</u>

COPY

Office of the United States Trustee

In re: Hauser Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Debtor In Possession Operating Report

Report Number: 10
For the period-

FROM: January 1, 2004
TO: January 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
INCOME			
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:			
INCOME			
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	63,632	11,796
Overdue - 31 - 60 Days	1,724	37,181
Overdue - 61 - 90 Days		100
Overdue - 91 - 120 Days	(267)	
Overdue - Over 121 Days	-	365,418
TOTAL	65,089	414,495

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
GE Capital	Monthly	198	2/12/2004		
Bay 4 Capital	Monthly	9,634	2/5/2004	1	9,634
Xerox Corporation	Monthly	202	1/22/2004		
Xerox Corporation	Monthly	766	1/22/2004		
Xerox Corporation	Monthly	970	1/22/2004		
Western Disposal	Monthly	1,244	2/20/2004		

* Explanation for Non-Payment:

The Hauser equipment under the Bay 4 Capital lease has been returned and negotiations are underway for the CRO equipment

4. Tax Liability:

Gross Payroll Expense for Period: 408,264
Gross Sales Subject to Sales Tax for Period: N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	1/31/2004	115,862.92	
State Payroll and Withholding Taxes	1/31/2004	23,776.43	
State Sales and Use Taxes	None		291
Real Property Taxes	None		

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Stutman, Treister & Glatt	Attorney	\$ 907,000
Kaye Scholer LLP	Attorney	\$ 575,500
Peitzman, Glassman, Weg & Kempinsky LLP	Attorney	\$ 83,000
Deloitte & Touche LLP	Accountant	\$ 85,000
Willkie Farr & Gallagher	Attorney	\$ 176,000

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

In anticipation of selling its real property in Longmont, Colorado, Hauser ceased operations at this facility and terminated the employment of approximately 30 employees.

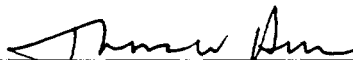
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
June 30, 2003	6,997,191	\$ 10,000	8/7/2003	\$ 10,000	3946	\$ -
Sept. 30, 2003	8,441,360	\$ 10,000	11/6/2003	\$ 10,000	4630	\$ -

I, (Name/Title:) Thomas W. Hanlon, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: February 12, 2004


 Debtor In Possession or Trustee
 Chief Financial Officer

Liability	YTD	Balance
Recap		
Employer Income Tax	8,453.11	
Employer Income Credit Allowance		00
Social Security - EE	4,330.98	
Medicare - EE	837.98	
State Disability Insurance - EE	00	
State Unemployment Insurance - EE	1,015.97	
Medicare - EE	1,015.97	
Medicare - ER	00	
Medicare - EE	00	
Employer Unemployment Tax	2,601.29	
State Income Tax	00	
State Unemployment Insurance - EE	2,476.67	
State Unemployment Insurance - ER	00	
State Unemployment Insurance - EE	00	
State Disability Insurance - EE	67.11	
State Disability Insurance - ER	00	
Workers Benefit Fund Assessment - EE	00	
Workers Benefit Fund Assessment - ER	00	
Local Income Tax	00	
School District Tax	20,729.25	
Total Taxes Debited	42,534.90	
Other Transfers		67,671.41
ADP Direct Deposit	Account Number 8815085553	67,671.41
Wages Garnishments	Account Number 8882186553	00
Total Amount Debited From Your Accounts		67,671.41
Bank Debits and		
Other Liability		
Taxes - Year		
Responsibility		
Checks		7,698.31
Adjustments/Inquiry/Voids		00
Note: This Payment		

Total Liability	67,671.41
	75,368.72
	75,368.72
	75,368.72



Statistical Summary Recap

HAUSER, INC. HP
Company Code: TAR
Region Name: DESERT MOUNTAIN

Batch: 7294
Quarter Number: 1
Period Ending: 01/03/2004
Pay Date: 01/03/2004
Current Date: 01/03/2004

Week 02
Page 1

0002

Let Pay		7,898.21	
Checks		42,334.90	50,233.11
Direct Deposits			
Subtotal Let Pay			50,233.11
Adjustments		.00	
Total Net Pay Liability (Net Cash)			50,233.11
You are responsible for		Amount debited from your account	
Depositing these amounts		EE withheld	ER contrib.
Agency	Rate		
Federal Income Tax		8,443.11	
Earned Income Credit Advances		4,378.98	
Social Security		1,014.91	
Medicare			1,015.00
Federal Unemployment Tax			535.14
Subtotal Federal		13,788.06	6,980.12
CA State Income Tax		368.29	
CA State Unemployment Insurance-EE	3.5000		246.51
CA State Disability Insurance-EE		83.11	
Subtotal CA		451.40	246.51
CO State Income Tax		2,231.00	
CO State Unemployment Insurance-EE	3.1200		2,090.16
Subtotal CO		2,231.00	2,090.16
Total Taxes		10,482.46	9,246.79
Amount ADP Debited From Account	495006353	Time/ABA	121000246
Driver	ADP Direct Deposit	42,334.90	
Transfers	Wage Commitments	607.26	
Amount ADP Debited From Account	495006353	Time/ABA	121000246
Total Amount ADP Debited From Your Accounts			67,671.61

Excludes Taxes That Are Your Responsibility
Employee Transaction

ADP Statistical Summary Detail

HAUSER, INC.
Company Code: TAR
Region Name: DESERT MOUNTAIN

Batch: 7294
Quarter Number: 1
Period Ending: 01/03/2004
Pay Date: 01/09/2004
Current Date: 01/05/2004
Week 02
Page 2

Week 04
Page 1Period Ending: 01/17/2004
Pay Date: 01/23/2004
Current Date: 01/19/2004Batch: 0449
Quarter Number: 1HAUSER, INC.
Company Code: TAR
Region Name: DESERT MOUNTAINStatistical Summary
Recap

ADP

© 1994 ADP Software Inc.

Liability	Amount	Account Number	Amount
Payroll	9,290.98		
Federal Income Tax	9,290.98		
Employer's Share of Social Security	4,650.53		
Social Security - EE	4,650.52		
Social Security - ER	0.00		
Medicare - EE	1,087.85		
Medicare - ER	1,087.82		
Medicare Ad - EE	0.00		
Federal Unemployment Tax	418.00		
State Income Tax	2,840.80		
State Unemployment Insurance - EE	0.00		
State Unemployment Insurance - ER	2,001.76		
State Unemployment Insurance Ad - EE	0.00		
State Disability Insurance - EE	181.65		
State Disability Insurance Ad - EE	0.00		
Workers' Benefit Fund Assessment - EE	0.00		
Workers' Benefit Fund Assessment - ER	0.00		
Local Income Tax	0.00		
School District Tax	0.00		
Total Taxes Debited	28,208.13		
ADP Direct Deposit	43,901.68		
Wage Garnishments	607.28		
Total Amount Debited From Your Accounts	70,720.07		
Checks	9,011.47		
Adjustments/Payroll	0.00		
Blank Debits and Other Liability	0.00		
Total - Year Responsibility	79,731.50		

Total Liability	Amount
	79,731.50
	79,731.50
	79,731.50

Week 04
Page 2

Period Ending : 01/17/2004
 Pay Date : 01/23/2004
 Current Date : 01/19/2004

Batch: 0449
Quarter Number: 1

HAUSER, INC.
Company Code: TAR
Region Name: DESERT MOUNTAIN

ADP Statistical Summary
Detail

4. Summary and Conclusions

	Checks	Direct Deposits	Subtotal Net Pay	Adjustments	Total Net Pay Liability (Net Cash)
	\$071.61	43,903.68	82,915.11	.00	52,915.11
Taxes					
Federal					
Agency			Amount debited from your account		
			EE withheld	ER contrib.	
Federal Income Tax			9,290.59		
Earned Income Credit Advance			4,650.53		
Social Security			1,087.82		
Medicare					
Federal Unemployment Tax			418.00		
Subtotal Federal			15,346.94		21,184.92
State					
CA State Income Tax			779.80		
CA State Unemployment/Disability Ins-ER	3,500.00				
CA State Disability Insurance-EE			181.65		
Subtotal CA			961.45		1,284.94
OO State Income Tax			2,081.00		
OO State Unemployment/Disability Ins-ER	3,200.00				
Subtotal OO			2,081.00		3,413.27
Total Taxes			14,051.23		28,283.13
Amount ADP Debited From Account	4945066353	TransABA	121008248		28,283.13
Other					
ADP Direct Deposit			43,903.68		
Transfers			807.26		
Amount ADP Debited From Account	4945066353	TransABA	121008248		44,510.94
Total Amount ADP Debited From Your Accounts					70,728.07

Self Payable

Liability
Receipt

Federal Income Tax	34,637.20
Earned Income Credit Advantages	.00
Social Security - EE	16,830.88
Social Security - ER	16,130.93
Social Security Ad - EE	.00
Medicare - EE	3,772.53
Medicare - ER	3,772.58
Medicare Ad - EE	.00
Federal Unemployment Tax	525.72
State Income Tax	9,907.73
State Unemployment Insurance - EE	.00
State Unemployment Insurance - ER	3,005.17
State Unemployment Insurance Ad - EE	.00
State Disability Insurance - EE	219.28
State Disability Insurance Ad - EE	.00
Workers' Benefit Fund Assessment - EE	.00
Workers' Benefit Fund Assessment - ER	.00
Local Income Tax	.00
School District Tax	.00
Total Taxes Debited	88,701.00

Other Transfers	ADP Direct Deposit	Account Number 4846014363	147,047.51
	ADP Direct Deposit	Account Number 4846014363	215,740.31
Bank Debits and Other Liability	Checks		40,593.66
	Adjustments/Prepayments		7,944.07
Taxes - Year Responsibility	None This Period		

Total Liability	225,740.31
	225,740.31
	225,740.31
	225,740.31

Includes Adjustments that are your responsibility



Statistical Summary
Recap

HAUSER, INC.
Company Code: TAR

Region Name: DESERT MOUNTAIN

Batch: 1455
Quarter Number: 1

Period Ending: 01/31/2004
Pay Date: 01/30/2004
Current Date: 01/27/2004

Week 04
Page 1

Handwritten note: 1/28/04 last payroll

002 0014

Net Pay	40,580.88
Direct Deposits	147,047.51
Subtotal Net Pay	187,628.39
Adjustments	7,541.01
Total Net Pay Liability (Net Cash)	195,169.40

Agency	Rate	You are responsible for Depositing these amounts	Amount debited from your account
Agency		EE withheld	ER contrib.
Federal Income Tax		34,637.20	
Earned Income Credit Advances			
Social Security		16,130.86	16,130.86
Medicare		3,772.58	3,772.58
Federal Unemployment Tax		525.72	525.72
Subtotal Federal		54,540.81	20,439.31
CA State Income Tax		941.70	
CA State Unemployment/Disability Ins-ER 3.5000		218.28	
CA State Disability Insurance-EE		1,988.01	
Subtotal CA		8,960.00	
CO State Income Tax			3,805.17
CO State Unemployment/Disability Ins-ER 3.3200		9,948.00	3,805.17
Subtotal CO			12,571.17
Total Taxes			24,004.38
Amount ADP Debited From Account	4345018553	Trans/ABA	12,000,000
Other			147,047.51
Amount ADP Debited From Account	4345018553	Trans/ABA	12,000,000
Total Amount ADP Debited From Your Accounts			233,748.51

Excludes Taxes That Are Your Responsibility

20 Employee Transactions

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2004	4/1/2004
California	Incl			
Colorado	Incl			
Liability	Evanston Insurance/Acordia	\$1MM/\$2MM	2/15/2004	2/15/2004
Property	St. Paul/Acordia	See Below	2/1/2004	2/1/2004
Real Property	St. Paul/Acordia	4,139,502	"	"
Personal Property	St. Paul/Acordia	918,487	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	11,000,000	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	2/15/2004	2/15/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia			
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
EPL	Hudson Insurance/Acordia	1,000,000	2/8/2004	2/8/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	2/8/2004	2/8/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	2/8/2004	2/8/2004

In re: Hauser Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 10

Miscellaneous Operating Expenses		

Total Miscellaneous Operating Expenses

Legal and Professional Fees		

Total Legal and Professional Fees

Other Non-Operating Expenses

Total Other Non-Operating Expenses

Hauser, Inc.
31-Jan-04

(dollars in thousands)

	Current Month <u>Actual</u>	Ten Months Ended Year-to-date** <u>Actual</u>
Sales	\$304	\$3,314
Cost of Sales	<u>437</u>	<u>\$3,312</u>
Gross margin	(133)	\$3
Sales and marketing	18	\$412
G & A expenses	<u>205</u>	<u>\$3,035</u>
Total Operating Cost	<u>223</u>	<u>\$3,447</u>
Contribution	(356)	(\$3,445)
Corporate Services	<u>(20)</u>	<u>(\$2,035)</u>
Operating income (loss)	<u>(336)</u>	<u>(\$1,410)</u>
New products expense	0	(\$377)
Interest expense	<u>(8)</u>	<u>(\$260)</u>
Profit (Loss) before Other Income	<u>(344)</u>	<u>(\$2,047)</u>
Gain/(Loss) on Sale of Assets	1	(\$3,944)
Other Income (See Note)	0	\$500
Chapter 11 Reorganization Costs	<u>(551)</u>	<u>(\$2,858)</u>
Profit (loss) before tax	<u>(894)</u>	<u>(\$8,348)</u>
Income taxes	<u>-</u>	<u>\$0</u>
Net income (loss)	<u>(894)</u>	<u>(\$8,348)</u>

Note: Represents proceeds from Wyeth transaction which closed in November.

**Year-to-date Sales, Gross Margin and Net Income have been restated to properly record \$90,000 of Hauser, Inc. revenue that had been erroneously recorded to Hauser Technical Services, Inc. in November 2003.

COPY

Office of the United States Trustee

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Operating Report

Report Number: 10

For the period-

FROM: January 1, 2004
TO: January 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
INCOME			
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:			
INCOME			
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payab.

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	121,760	385,873
Overdue - 31 - 60 Days		55,564
Overdue - 61 - 90 Days		450
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		
TOTAL	121,760	441,887

3. Statement of Status of Payments to Secured Creditors and Lessors:

				Post-Petition Payments Not Made*	
Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Number	Amount
US Filter	Semi-annual	110	5/4/2004	None	
US Filter	Quarterly	63	2/15/2004	None	
GE Capital	Monthly	589	2/12/2004	None	
Advanced Trailer Leasing	Monthly	134	2/17/2004	None	
Pure Water	Monthly	264	2/16/2004	None	
Quantum	Monthly	355	2/14/2004	None	
6800 Broadway Bsn Ctr	Monthly	26,672	3/1/2004	None	
Woodspear Properties	Monthly	17,116	3/1/2004	None	

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: 190,958

Gross Sales Subject to Sales Tax for Period: N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	by - 1/31/2004	49,088	-
State Payroll and Withholding Taxes	by - 1/31/2004	7,485	-
State Sales and Use Taxes	by - 4/20/2004	-	422
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐	YES (Explain:)
☒	NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐	YES (Explain:)
☒	NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in		
Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None

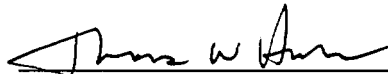
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	1,287,397	5,000	8/12/2003	5,000	11613	0
9/30/2003	1,444,749	5,000	11/6/2003	5,000	11986	0

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: February 12, 2004


 Debtor In Possession or Trustee
 Title - Secretary / Treasurer

Liability	Terms Debited	
Recap		
	General Income Tax	8,427.68
	Employment Credit Advance	.00
	State Security - EE	4,985.77
	Social Security - ER	5,008.44
	State Security Adj. - EE	12.58
	Medicare - EE	1,186.36
	Medicare Adj. - EE	1,171.90
	Medicare - ER	2.98
	Employment Unemployment Tax	848.25
	State Income Tax	2,785.00
	State Unemployment Insurance - EE	.00
	State Unemployment Insurance - ER	500.84
	State Unemployment Insurance Adj. - EE	.00
	State Disability Insurance - EE	.00
	State Disability Insurance Adj. - EE	.00
	Workers Benefit Fund Assessment - EE	.00
	Workers Benefit Fund Assessment - ER	.00
	Local Income Tax	.00
	School District Tax	24,625.29
	Total Taxes Debited	45,745.63
Other Transfers	ADP Direct Deposit	70,575.92
	Account Number: 4845006361	
	Total Amount Debited From Year Account	
Bank Debits and Other Liability	Checks	12,097.00
	Adjustments/Provision	15.69
	More This Payroll	
Taxes - Year Responsibility		

Total Liability	70,575.92
	82,672.92
	82,657.20
	82,657.20

Includes Adjustments that are your responsibility

HAUSER TECH SERVICES
Company Code: MBA
Region Name: DESERT MOUNTAIN

Batch: 7319
Quarter Number: 1
Period Ending: 01/03/2004
Pay Date: 01/08/2004
Current Date: 01/05/2004
Week 02
Page 1

ADP Statistical Summary
Recap
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Net Pay	12,087.00
Directs	45,746.63
Direct Deposits	57,843.63
Salaries Net Pay	15.02
Adjustments	57,828.01
Total Net Pay Liability (Net Cash)	

Taxes	Agency	Rate	You are responsible for Depositing these amounts		Amounts withheld from your account	
			EE withhold	ER contrib.	EE withhold	ER contrib.
Federal	Federal Income Tax				8,527.69	
	Federal Income Credit Advances					5,008.44
	Social Security				1,171.32	1,171.32
	Medicare					648.25
	Federal Unemployment Tax				14,707.43	5,928.00
	Subtotal Federal				2,795.00	
State	CO State Income Tax					500.84
	CO State Unemployment/Disability Ins-ER	.6200			3,785.00	540.84
	Subtotal CO		.00	.00	17,502.43	7,320.66
Total Taxes					24,828.29	
Amount ADP Debited From Account	6845086361		Trans/ABA	121000244	24,828.29	

Excludes Taxes That Are Your Responsibility

42 Employee Transactions

Other	ADP Direct Deposit		45,746.63
Transfers	Amount ADP Debited From Account	6845086361	Trans/ABA 121000244
Total Amount ADP Debited From Your Accounts			70,775.92

Week 02
Period Ending: 01/03/2004
Pay Date: 01/08/2004
Current Date: 01/05/2004

Batch: 7319
Quarter Number: 1

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DESERT MOUNTAIN

ADP Statistical Summary
Detail

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Liability	Taxes Debited	Federal Income Tax	10,921.96	00
Recap		Employer Income Credit Adjustment		00
		Social Security - EE	6,439.24	00
		Social Security - ER	6,439.61	00
		Social Security Ad - EE	18.08	00
		Medicare - EE	1,340.64	00
		Medicare - ER	1,508.09	00
		Medicare Ad - EE	4.54	00
		Federal Unemployment Tax	741.22	00
		State Income Tax	3,583.00	00
		State Unemployment Insurance - EE		00
		State Unemployment Insurance - ER	828.16	00
		State Unemployment Insurance Ad - EE		00
		State Disability Insurance - EE		00
		State Disability Insurance - ER		00
		Workers Benefit Fund Assessment - EE		00
		Workers Benefit Fund Assessment - ER		00
		Local Income Tax		00
		School District Tax	31,743.23	00
		Total Taxes Debited	41,352.81	
Other Transfers		ADP Direct Deposit	41,352.81	
		Total Amount Debited From Your Account	73,106.06	
Bank Debit and		Checks	10,558.05	
Other Liability		Adjustments/Prepays/Write	24,217.96	
Taxes - Your		None This Payroll		
Responsibility				

Total Liability
73,106.06
107,863.07
107,863.07

Includes Adjustments and are
your responsibility

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DESERT MOUNTAIN

Statistical Summary

Recap

Batch: 0483

Quarter Number: 1

Period Ending: 01/17/2004

Pay Date: 01/22/2004

Current Date: 01/19/2004

Week 04

Page 1



Net Pay		10,560.05	
Direct Deposits		41,382.83	
Subtotal Net Pay			51,942.88
Adjustments		24,217.96	
Total Net Pay Liability (Net Cash)			76,160.84
Gross Pay		Amount debited from your account	
Agency	Rate	EE withheld	ER withhold
Federal Income Tax		10,920.88	
Earned Income Credit Advantages			
Social Security		8,439.85	6,433.85
Medicare		1,506.10	1,506.09
Federal Unemployment Tax			741.22
Subtotal Federal		18,866.83	8,941.16
CO State Income Tax		3,683.00	
CO State Unemployment/Disability Ins-ER	.6200		638.14
Subtotal CO		3,683.00	638.14
Total Taxes		22,549.83	9,579.30
Amount ADP Debited From Account	4945096381	22,549.83	31,743.23
Net Pay	ADP Direct Deposit	41,382.83	
Transfers	Amount ADP Debited From Account	4945096381	41,382.83
Total Amount ADP Debited From Your Accounts			73,106.06

Excludes Taxes That Are Your Responsibility

37 Employee Transactions

HAUSER TECH SERVICES

Company Code: MBA

Region Name: DESERT MOUNTAIN

ADP Statistical Summary
Detail

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Batch: 0483

Quarter Number: 1

Period Ending: 01/17/2004

Pay Date: 01/22/2004

Current Date: 01/19/2004

Week 04

Page 2

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2004	4/1/2004
California	Incl			
Colorado	Incl			
Liability	Evanston Insurance/Acordia	\$1MM/\$2MM	2/15/2004	2/15/2004
Property	St. Paul/Acordia	See Below	2/1/2004	2/1/2004
Real Property	St. Paul/Acordia	4,139,502	"	"
Personal Property	St. Paul/Acordia	918,487	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	11,000,000	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	2/15/2004	2/15/2004
California	No autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt. Hawley/Great American/Greenwich Insurance Co/Acordia			
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
EPL	Hudson Insurance/Acordia	1,000,000	2/8/2004	2/8/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	2/8/2004	2/8/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	2/8/2004	2/8/2004

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 10

Miscellaneous Operating Expenses		

Total Miscellaneous Operating Expenses

Legal and Professional Fees		
	None	

Total Legal and Professional Fees

Other Non-Operating Expenses		
	None	

Total Other Non-Operating Expenses

Hauser Technical Services
Hauser Contract Research Organization
Summary Income Statement
January 31, 2004
(dollars in thousands)

	<u>Month</u> Actual	<u>**Year-to-date</u> Actual
Sales	\$389	4,184
Cost of sales	371	3,838
Gross margin	<u>18</u>	<u>345</u>
 Sales and marketing	 11	 143
R & D expenses	 29	 251
G & A expenses	<u>40</u>	<u>394</u>
Total	<u>(22)</u>	<u>(48)</u>
Contribution		
 Corporate Services	 20	 401
Operating income (loss)	<u>(42)</u>	<u>(449)</u>
 Interest expense	 (2)	 (84)
Reorganization Costs	(5)	(15)
Profit (loss) before tax	<u><u>(\$49)</u></u>	<u><u>(\$548)</u></u>

**Year-to-date Sales, Gross Margin and Net Income have been restated to properly record \$90,000 of Hauser, Inc. revenue that had been erroneously recorded to Hauser Technical Services, Inc. in November 2003.

COPY

Office of the United States Trustee

In re: Zetapharm Inc.
A New York Corporation

RECEIVED
Debtor P 240

Chapter 11 Case No: LA 03-18802-BB

Debtor In Possession Operating Report

Report Number: 10

For the period-

FROM: January 1, 2004
TO: January 31, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:	
INCOME	
Gross Sales	
(Sales Returns and Discounts)	
Net Sales	
Beginning Inventory at Cost	
Add: Purchases	
Less: Ending Inventory at Cost	
Cost of Goods Sold	
Gross Profit	
Other Operating Revenues - Rentals	
Total Income	
EXPENSES	
Officer Compensation	
Salaries and Wages - Other Employees	
Employee Benefits and Pensions	
Total Employee wages, benefits, and pensions	
Payroll Taxes	
Real Estate Taxes	
Federal and State Income Taxes	
Total Taxes	
Rent and Lease Exp. (Real and Personal Property)	
Interest Expense (Mortgage, Loan, etc.)	
Insurance	
Automobile Expense	
Utilities (Gas, Electricity, Water, Telephone, etc.)	
Depreciation and Amortization	
Repairs and Maintenance	
Advertising	
Supplies, Office Expenses, Photocopies, etc.	
Bad Debts	
Miscellaneous Operating Expenses (See Attached)	
Total other operating costs & Expenses	
Total Operating Expenses	
Net Gain/Loss from Business Operations	
B. Not Related to Business Operations:	
INCOME	
Interest Income	
Other Non-Operating Revenues (Specify)	
Gross Proceeds on Sale of Assets	
Less: Original Cost of Assets plus Expenses of Sale	
Net Gain/Loss on Sale of Assets	
Total Non-Operating Income	
EXPENSES	
Legal and Professional Fees (Specify)	
Other Non-Operating Expenses (Specify)	
Total Non-Operating Expenses	
Net Gain/Loss Not from Business Operations	
NET INCOME / LOSS FOR PERIOD	

No activity for this period

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	None	-
Overdue - 31 - 60 Days		-
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		19,525
TOTAL	-	19,525

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
None					

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: _____

None

Gross Sales Subject to Sales Tax for Period: _____

None

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owed
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes	None		

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report.		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None

9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3903	\$ -
9/30/2003	None	\$ 250	11/5/2003	\$ 250	4630	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: February 12, 2004


 Debtor In Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2004	4/1/2004
California	Incl			
Colorado	Incl			
Liability	Evanston Insurance/Acordia	\$1MM/\$2MM	2/15/2004	2/15/2004
Property	St. Paul/Acordia	See Below	2/1/2004	2/1/2004
Real Property	St. Paul/Acordia	4,139,502	"	"
Personal Property	St. Paul/Acordia	918,487	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	11,000,000	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	2/15/2004	2/15/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia			
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
EPL	Hudson Insurance/Acordia	1,000,000	2/8/2004	2/8/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	2/8/2004	2/8/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	2/8/2004	2/8/2004

In re: Zetapharm Inc.
A New York Corporation

Debtor In Possession Operating Report
Report Number: 10

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

COPY

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Debtor
Chapter 11 Case No: LA 03-18795-BB

Debtor in Possession Interim Statement
Statement Number: 10
For the period-
FROM: 1/1/2004
TO: 1/31/2004

CASH ACTIVITY ANALYSIS (Cash Basis Only)	General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements	29,318,349	-	-
B. Less: Total Disbursements per all Prior Statements	28,968,273	-	-
C. Beginning Balance (A less B)	350,076	-	-
D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)			
1/6: Misc receipts deposited by Hauser for Cobra, etc.	66		
1/6: Refund from Naumes for prepaid inventory	2,301		
1/6: Pmt from ZBI for remaining waiver cash	24,883		
1/8: Scheduled pmt from ZBI from sale of BIE	34,023		
1/9: Misc receipts deposited by Hauser for Cobra, etc.	1,322		
1/14: Pmt from ZBI for A/R collected	24,651		
1/19: Misc receipts deposited for GMAC lease, etc. (reference line #103)	942		
1/27: December management fee from HTS	60,000		
1/30: Misc receipts deposited by Hauser for Cobra, Dental Insur., Raw Material return	3,095		
1/30: Misc receipts deposited by Hauser for small supply sales	1,461		
From Detail Sheet "D"	466,317	-	-
TOTAL RECEIPTS THIS PERIOD (D):	619,061	-	-
E. Balance Available (C plus D)	969,137	-	-
F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing if needed)			
01/06: Pay down LOC	1,973		
From Detail Sheet "F"	776,680	-	-
TOTAL DISBURSEMENTS HIS PERIOD (F):	778,653	-	-
G. Ending Balance (E less F)	190,485	-	-

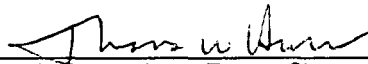
H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank - Los Angeles, CA		4945 063790
(2) Payroll Account	Wells Fargo Bank - Los Angeles, CA		4945 086353
(4) Tax Account	none		

I. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	
Petty Cash	El Segundo, CA	not to exceed \$500
Petty Cash	Longmont, CO	not to exceed \$1000

I, (Print Name:) Thomas W. Hanlon, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: February 5, 2004


Debtor in Possession or Trustee Signature
Chief Financial Officer

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Chapter 11 Case No: LA 03-18795-BB Debtor

Debtor In Possession Interim Statement

Statement Number: 10

For the period-

FROM: 1/1/2004

TO: 1/31/2004

[illegible]

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Chapter 11 Case No:	LA 03-18795-BB	Debtor
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Debtor In Possession Interim Statement

Statement Number: 10

For the period-

FROM: 1/1/2004

TO: 1/31/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
	See attached			776,680		
TOTAL DISBURSMENTS on this page: (Total will automatically carry to p1)				776,680	-	-

Hauser, Inc.
Debtor In Possession Interim Statement #10
January 1 to January 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
1	001303	1/29/2004	CHRIS YORK (HAND CHK, EL SEGUNDO)	50	50	Computer repair / consulting	All Other Expenses
2	004842	1/15/2004	CITY OF EL SEGUNDO (VOID)	(88)	(88)	Business License/El Segundo (Void)	All Other Expenses
3	004896	1/5/2004	KENNETH CLEVELAND ASSOCIATES	8,000	8,000	Executive Management Services	All Other Expenses
4	004897	1/5/2004	KENNETH CLEVELAND	1,720	1,720	Expense Reimbursement	All Other Expenses
5	004898	1/5/2004	THOMAS HANLON	123	123	Expense Reimbursement	All Other Expenses
6	004899	1/5/2004	THOMAS HANLON ASSOCIATES	4,327	4,327	Executive Management Services	All Other Expenses
7	004900	1/5/2004	THOMAS HANLON ASSOCIATES	4,327	4,327	Executive Management Services	All Other Expenses
8	004901	1/5/2004	KENNETH CLEVELAND ASSOCIATES	8,000	8,000	Executive Management Services	All Other Expenses
9	004902	1/5/2004	THOMAS HANLON ASSOCIATES	14,062	14,062	3rd Qtr Incentive Compensation	All Other Expenses
10	004903	1/8/2004	ACT TELECONFERENCING SERVICES	51	51	Teleconference Calls	All Other Expenses
11	004904	1/8/2004	ADVANCED TRAILER LEASING	312	312	Trailer Rental	All Other Expenses
12	004905	1/8/2004	CHEM-AQUA	773	773	Water Treatment	All Other Expenses
13	004906	1/8/2004	DENVER RESERVE	100	100	Section 125 Reimbursement, Dec	All Other Expenses
14	004907	1/8/2004	HAUSER TECHNICAL SERVICES	440	440	Paclitaxel Support	All Other Expenses
15	004908	1/8/2004	JEFFERSON PILOT FINANCIAL	669	669	Group Life Insurance/EE	All Other Expenses
16	004909	1/8/2004	LAB SUPPORT	774	774	Temporary Services	All Other Expenses
17	004910	1/8/2004	MCMaster-CARR	555	555	Operating Supplies	All Other Expenses
18	004911	1/8/2004	MOTOR CARGO	500	500	Freight	Inventory
19	004912	1/8/2004	NEXTEL COMMUNICATIONS	343	343	Phone Expenses	All Other Expenses
20	004913	1/8/2004	QWEST	1,027	1,027	Phone Services, Hauser	All Other Expenses
21	004914	1/8/2004	ROCKY NET	935	935	Internet Connection	All Other Expenses
22	004915	1/8/2004	KLAUS SCHEKAHN	7,000	7,000	Travel Advance	All Other Expenses
23	004916	1/8/2004	SERVICE INDUSTRIAL INC	179	179	Uniform Rental/Mat Cleaning	All Other Expenses
24	004917	1/8/2004	US FILTER	168	168	Water Filter Rental DEC	All Other Expenses
25	004918	1/8/2004	WAUSAU INSURANCE	182	182	Workman's Comp Ins	All Other Expenses
26	004919	1/8/2004	ACORDIA	7,788	7,788	Insurance	Insurance
27	004920	1/8/2004	CBT INTERNATIONAL	5,907	5,907	Custom Duty/Broker Fees	Inventory
28	004921	1/8/2004	AMZAC ENTERPRISES	855	855	Freight	Inventory
29	004922	1/8/2004	HOLMAN DISTRIBUTION CENTER	1,240	1,240	Inventory	Inventory
30	004923	1/8/2004	KELATRON CORPORATION	2,277	2,277	Inventory	Inventory
31	004924	1/8/2004	MODESTI BROTHERS	449	449	Freight	Inventory
32	004925	1/8/2004	PRODUCTS DISTRIBUTION	253	253	Inventory	Inventory
33	004926	1/8/2004	SHUSTER LABS	420	420	Product Testing	Inventory
34	004927	1/8/2004	SUNLAND DISTRIBUTION	329	329	Freight	Inventory
35	004928	1/8/2004	SUNLINE EXPRESS SYSTEMS	2,244	2,244	Freight	Inventory
36	004929	1/8/2004	US NUTRACEUTICALS	540	540	Inventory	Inventory
37	004930	1/9/2004	BIOMER, INC	1,893	1,893	Expense Reimbursement	All Other Expenses
38	004931	1/9/2004	QWEST	26	26	Phone Services, Boonton	All Other Expenses
39	004932	1/9/2004	UNITED PARCEL SERVICE	683	683	Freight/Shipping	Inventory
40	004933	1/9/2004	AETNA	1,671	1,671	Dental Premium - Jan, 2004	All Other Expenses
41	004934	1/9/2004	CHC OF CALIFORNIA	412	412	CA EE Medical Insurance	All Other Expenses
42	004935	1/9/2004	CGLIC-PHOENIX EASC	13,696	13,696	CO EE Medical Insurance	All Other Expenses
43	004936	1/9/2004	DUANE COWGER	600	600	Wk 12/27 & 1/3 Server Maint	All Other Expenses
44	004937	1/9/2004	DENVER RESERVE	77	77	Section 125 Reimbursement, Dec	All Other Expenses

Hauser, Inc.
Debtor In Possession Interim Statement #10
January 1 to January 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
45	004938	1/9/2004	EXPRESS SERVICES, INC.	1,097	1,097	Temporary Services	All Other Expenses
46	004939	1/9/2004	JEFFERSON PILOT FINANCIAL	137	137	Group Insurance/Voluntary Life	All Other Expenses
47	004940	1/9/2004	SUZU LINDSTEDT - PETTY CASH	428	428	Petty Cash Reimbursement	All Other Expenses
48	004941	1/9/2004	MCDONALD FARMS	370	370	Waste Disposal	All Other Expenses
49	004942	1/9/2004	MOTOR CARGO	525	525	Freight	Inventory
50	004943	1/9/2004	QWEST	186	186	Phone Services, Hauser	All Other Expenses
51	004944	1/9/2004	VISION SERVICE PLAN	129	129	EE Vision Premium	All Other Expenses
52	004945	1/12/2004	WATKINS MOTOR LINES	191	191	Freight	Inventory
53	004946	1/15/2004	AMZAC ENTERPRISES, INC.	183	183	Freight	Inventory
54	004947	1/15/2004	CBT INTERNATIONAL, INC.	503	503	Custom Duty/Broker Fees	Inventory
55	004948	1/15/2004	HOLMAN DISTRIBUTION CENTER	204	204	Inventory	Inventory
56	004949	1/15/2004	KELATRON CORPORATION	4,495	4,495	Inventory	Inventory
57	004950	1/15/2004	MODESTI BROTHERS, INC.	2,546	2,546	Freight	Inventory
58	004951	1/15/2004	UNITED PARCEL SERVICE	394	394	Freight/Shipping	Inventory
59	004952	1/15/2004	ACT TELECONFERENCING SERVICES	78	78	Teleconference Calls	Inventory
60	004953	1/15/2004	ALPHA LABS	130	130	Product Testing	Inventory
61	004954	1/15/2004	AT&T WIRELESS	181	181	Phone Expenses	All Other Expenses
62	004955	1/15/2004	CENTRAL WELD COUNTY WATER DIST	278	278	Utilities - HP	All Other Expenses
63	004956	1/15/2004	CITY OF EL SEGUNDO	88	88	Replacement Check, #4842	All Other Expenses
64	004957	1/15/2004	CO. DEPT. PUBLIC HEALTH & ENV	40	40	EPA Haz Waste Fee	All Other Expenses
65	004958	1/15/2004	DUANE COWGER	649	649	Wk 1/11/04 Server Maintenance	All Other Expenses
66	004959	1/15/2004	MILE HI CULLIGAN WATER, INC.	87	87	Water Cooler Rental	All Other Expenses
67	004960	1/15/2004	SCOTT KINDERWATER	75	75	Expense Reimbursement	All Other Expenses
68	004961	1/15/2004	EXPRESS SERVICES, INC.	1,260	1,260	Temporary Services	All Other Expenses
69	004962	1/15/2004	THE FINISHING TOUCH JANITORIAL	2,414	2,414	Custodial Services - HP	All Other Expenses
70	004963	1/15/2004	GE CAPITAL	225	225	Copier Lease	All Other Expenses
71	004964	1/15/2004	VOID	-	-	Void	Void
72	004965	1/15/2004	HOGAN & HARTSON	251	251	Filing Fee Berry Patent	All Other Expenses
73	004966	1/15/2004	HOME DEPOT	179	179	Building Maintenance	All Other Expenses
74	004967	1/15/2004	JEAN PAULSON KISLESKY	113	113	Expense Reimbursement	All Other Expenses
75	004968	1/15/2004	KC MAINTENANCE & SNOW REMOVAL	355	355	Snow Removal - HP	All Other Expenses
76	004969	1/15/2004	KENNETH CLEVELAND ASSOCIATES	8,000	8,000	Executive Management Services	All Other Expenses
77	004970	1/15/2004	KROGER-KING SOOPERS	474	474	Holiday lunch	All Other Expenses
78	004971	1/15/2004	LAB SUPPORT	1,868	1,868	Temporary Services	All Other Expenses
79	004972	1/15/2004	LCI CORPORATION	666	666	Operating Supplies	All Other Expenses
80	004973	1/15/2004	LINWELD	389	389	Operating Expenses	All Other Expenses
81	004974	1/15/2004	M TECH	1,208	1,208	Building Maintenance	All Other Expenses
82	004975	1/15/2004	MCMMASTER-CARR	1,440	1,440	Operating Supplies	All Other Expenses
83	004976	1/15/2004	METRO WASTEWATER RECLAMATION	4,004	4,004	Hauled Waste	All Other Expenses
84	004977	1/15/2004	MOTION TELECOM	175	175	Long Distance - HP (Univance)	All Other Expenses
85	004978	1/15/2004	NATIONSRENT	90	90	Operating Supplies	All Other Expenses
86	004979	1/15/2004	QWEST	231	231	Phone Services, Hauser	All Other Expenses
87	004980	1/15/2004	RENTAL SERVICE CORPORATION	893	893	Building Maintenance	All Other Expenses
88	004981	1/15/2004	SBC COMMUNICATIONS	323	323	Phone Services, El Segundo	All Other Expenses

Hauser, Inc.
Debtor In Possession Interim Statement #10
January 1 to January 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
89	04982	1/15/2004	SEVERN TRENT LABORATORIES	95	95	Waste Water Treatment	All Other Expenses
90	04983	1/15/2004	SERVICE INDUSTRIAL INC	248	248	Uniform Rental/Mat Cleaning	All Other Expenses
91	04984	1/15/2004	THOMAS HANLON ASSOCIATES	4,327	4,327	Executive Management Services	All Other Expenses
92	04985	1/15/2004	TOP HAT SUPPLY COMPANY	257	257	Operating Supplies	All Other Expenses
93	04986	1/15/2004	XEROX CORPORATION	1,942	1,942	Copier Lease	All Other Expenses
94	04987	1/15/2004	VERIZON	420	420	Phone Services, Boonton	All Other Expenses
95	04988	1/16/2004	ONYX ENVIRONMENTAL	4,542	4,542	Hazardous Waste Disposal	All Other Expenses
96	04989	1/16/2004	ONYX ENVIRONMENTAL	1,226	1,226	Hazardous Waste Disposal	All Other Expenses
97	04990	1/19/2004	BIOMER, INC	79,750	79,750	Commissions Payment, 2003 (partial)	All Other Expenses
98	04991	1/19/2004	ONYX ENVIRONMENTAL	340	340	Haz Waste Fuels disposal	All Other Expenses
99	04992	1/19/2004	DENIS OUELLETTE	6,234	6,234	Consulting Service/Mileage	All Other Expenses
100	04993	1/21/2004	ADVANCED TRAILER LEASING-004	312	312	Trailer Rental	All Other Expenses
101	04994	1/21/2004	AMERIGAS - FORT COLLINS	157	157	Operating Supplies	All Other Expenses
102	04995	1/21/2004	DUANE COWGER	500	500	WE 1/17 Server Maintenance	All Other Expenses
103	04996	1/21/2004	GMAC (REIMBURSED)	542	542	Monthly Auto Payment K. Schekahn	All Other Expenses
104	04997	1/21/2004	METRIX INC.	6,220	6,220	Environ. Site Assessment	All Other Expenses
105	04998	1/21/2004	KENNETH CLEVELAND ASSOCIATES	8,059	8,059	Executive Management Services	All Other Expenses
106	04999	1/21/2004	RAISA KROPP	157	157	Expense Reimbursement	All Other Expenses
107	05000	1/21/2004	VOID	-	-	Void	Void
108	05001	1/21/2004	VOID	-	-	Void	Void
109	05002	1/21/2004	QWEST	945	945	Phone Service HP	All Other Expenses
110	05003	1/21/2004	QWEST INTERPRISE AMERICA, INC.	50	50	Web Marketing Monthly Fee	All Other Expenses
111	05004	1/21/2004	MCMaster-CARR	187	187	Operating Supplies	All Other Expenses
112	05005	1/21/2004	POSTAL PRIVILEGE	50	50	Postage/EI Segundo	All Other Expenses
113	05006	1/21/2004	SONITROL OF DENVER	343	343	Security/HP	All Other Expenses
114	05007	1/21/2004	ST. VRAIN SANITATION DISTRICT	5,452	5,452	Qtr Billing	All Other Expenses
115	05008	1/21/2004	THOMAS HANLON ASSOCIATES	4,454	4,454	Executive Management Services	All Other Expenses
116	05009	1/21/2004	UNITED POWER	9,399	9,399	Utilities	All Other Expenses
117	05010	1/21/2004	WASTE MANAGEMENT	51	51	Roll off waste	All Other Expenses
118	05011	1/21/2004	WELLS FARGO BANK	16,306	16,306	Legal Expense Reimbursement	Legal Expense Reimbursement
119	05012	1/21/2004	WESTERN DISPOSAL SERVICES	1,244	1,244	Waste Disposal	All Other Expenses
120	05013	1/21/2004	KELATRON CORPORATION	5,580	5,580	Inventory	Inventory
121	05014	1/21/2004	SUNLINE EXPRESS SYSTEMS, INC.	289	289	Freight	Inventory
122	05015	1/21/2004	WATKINS FREIGHT DEPARTMENT	109	109	Freight	Inventory
123	05016	1/22/2004	COVANCE LABORATORIES	1,142	1,142	Product Testing Final Billing	Inventory
124	05017	1/22/2004	GERALD T GOURDIN	7,544	7,544	Final Pay Check	Payroll
125	05018	1/23/2004	HELPMATES STAFFING SERVICES	294	294	Temporary Services/EI Segundo	All Other Expenses
126	05019	1/27/2004	HELPMATES STAFFING SERVICES	783	783	Temporary Services/EI Segundo	All Other Expenses
127	05020	1/28/2004	KENNETH CLEVELAND ASSOCIATES	8,000	8,000	Executive Management Services	All Other Expenses
128	05021	1/28/2004	VOID	-	-	Void	Void
129	05022	1/28/2004	ROBERT G BUCK	2,000	2,000	Professional Management Services	All Other Expenses
130	05023	1/28/2004	THOMAS HANLON ASSOCIATES	4,327	4,327	Executive Management Services	All Other Expenses
131	05024	1/28/2004	CHEM-AQUA	773	773	Water Treatment	All Other Expenses
132	05025	1/28/2004	CORPORATE EXPRESS	397	397	Office Supplies	All Other Expenses

Hauser, Inc.
Debtor In Possession Interim Statement #10
January 1 to January 31, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
133 005026	1/28/2004	EXPRESS SERVICES, INC.	850		850	Temporary Services	All Other Expenses
134 005027	1/28/2004	HAUSER TECHNICAL SERVICES, INC.	333		333	Professional Services	All Other Expenses
135 005028	1/28/2004	JEFF FADLEY	277		277	Expense Reimbursement	All Other Expenses
136 005029	1/28/2004	JEFFERSON PILOT FINANCIAL	592		592	Group Life Insurance/EE	All Other Expenses
137 005030	1/28/2004	MCDONALD FARMS ENTERPRISES	970		970	Trash Roll off	All Other Expenses
138 005031	1/28/2004	NEXTTEL COMMUNICATIONS	197		197	Wireless Phones HP	All Other Expenses
139 005032	1/28/2004	QWEST	278		278	Phone lines HP	All Other Expenses
140 005033	1/28/2004	RODNEY R. REAM	25		25	Tech Support El Segundo	All Other Expenses
141 005034	1/28/2004	ROCKYNET	935		935	Internet Connection	All Other Expenses
142 005035	1/28/2004	ST. VRAIN SANITATION DISTRICT	2,074		2,074	Waste Disposal	All Other Expenses
143 005036	1/28/2004	SERVICE INDUSTRIAL INC	247		247	Uniform Service	All Other Expenses
144 005037	1/28/2004	US FILTER	50		50	1/2 month rental on filters for labs	All Other Expenses
145 005038	1/28/2004	AKA INTERNATIONAL INC		2,211	2,211	Inventory	Inventory
146 005039	1/28/2004	CBT INTERNATIONAL, INC.		220	220	Freight	Inventory
147 005040	1/28/2004	EARTH LINK, INC.		162	162	Phone service Boonton	All Other Expenses
148 005041	1/29/2004	DAVID BAILEY	836		836	Expense Reimbursement	All Other Expenses
149 005042	1/29/2004	ROBERT G BUCK	175		175	Expense Reimbursement	All Other Expenses
150 005043	1/29/2004	KLAUS SCHEKAHN	135		135	Expense Reimbursement	All Other Expenses
151 005044	1/29/2004	JEFF FADLEY	2,930		2,930	Professional Management Services	All Other Expenses
152 W0107A	1/7/2004	PUTNAM CORPORATE SERVICES	3,522		3,522	EE 401k Contributions	All Other Expenses
153 W0122A	1/22/2004	PUTNAM CORPORATE SERVICES	4,271		4,271	EE 401k Contributions	All Other Expenses
154 W0130	1/30/2004	PUTNAM CORPORATE SERVICES	487		487	EE 401k Contributions	All Other Expenses
155 ED0102	1/2/2004	UNITED PARCEL SERVICE	158		158	Freight/Shipping	Inventory
156 ED0112	1/12/2004	UNITED PARCEL SERVICE	126		126	Freight/Shipping	Inventory
157 ED0116	1/16/2004	UNITED PARCEL SERVICE	783		783	Freight/Shipping	Inventory
158 ED0123	1/23/2004	UNITED PARCEL SERVICE	197		197	Freight	Inventory
159 ED0130	1/30/2004	UNITED PARCEL SERVICE	166		166	Freight	Inventory
160 GJ	1/2/2004	ADP	529		529	Payroll Processing Fees	Payroll
161 GJ	1/16/2004	ADP	175		175	Payroll Processing Fees	Payroll
162 GJ	1/7/2004	ADP	42,335		42,335	PR EFT, Pay Date 1/9	Payroll
163 GJ	1/8/2004	ADP	25,337		25,337	PR Taxes Pay Date 1/9	Payroll
164 GJ	1/21/2004	ADP	43,904		43,904	PR EFT, Pay Date 1/23	Payroll
165 GJ	1/22/2004	ADP	26,816		26,816	PR Taxes, Pay Date 1/23	Payroll
166 GJ	1/28/2004	ADP	147,048		147,048	PR EFT, Pay Date 1/30	Payroll
167 GJ	1/29/2004	ADP	88,701		88,701	PR Taxes, Pay Date 1/30	Payroll
168 GJ	1/30/2004	ADP	698		698	Payroll Processing Fees	Payroll
169 GJ	1/8/2004	LIVE PAYROLL CHECKS	7,698		7,698	PR Live Checks Pay Date 1/9	Payroll
170 GJ	1/19/2004	LIVE PAYROLL CHECKS	9,011		9,011	PR Live Checks Pay Date 1/23	Payroll
171 GJ	1/19/2004	LIVE PAYROLL CHECKS	40,594		40,594	PR Live Checks Pay Date 1/30	Payroll
172 GJ	1/26/2004	STATE OF CALIFORNIA (CK VOIDED 12/17)	800		800	#4684 Voided Check Cleared	All Other Expenses
173 GJ	1/20/2004	WELLS FARGO BANK	1,341		1,341	Client Analysis Service Charge	All Other Expenses
			662,306	114,374	776,680		

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Chapter 11 Case No: LA 03-18798-BB Debtor

Debtor in Possession Interim Statement

Statement Number: 10

For the period-

FROM: January 1, 2004
TO: January 31, 2004

CASH ACTIVITY ANALYSIS (Cash Basis Only)			General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements			4,142,337	-	-
B. Less: Total Disbursements per all Prior Statements			4,016,182	-	-
C. Beginning Balance (A less B)			126,155	-	-
D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)					
1-06-04 - Customer Receipts			77,613		
1-12-04 - Customer Receipts			3,255		
1-12-04 - Customer Receipts			32,300		
1-20-04 - Customer Receipts			37,417		
1-21-04 - Customer Receipts			184,966		
1-26-04 - Customer Receipts			69,920		
From Detail Sheet "D"					
TOTAL RECEIPTS THIS PERIOD (D):			405,471	-	-
E. Balance Available (C plus D)			531,626	-	-
F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing if needed)					
From Detail Sheet "F"			413,322	-	-
TOTAL DISBURSEMENTS THIS PERIOD (F):			413,322	-	-
G. Ending Balance (E less F)			118,304	-	-

H. Depositories		Depository Name	Depository Location	Account Number
(1) General Account		Wells Fargo Bank - Los Angeles, CA		4945 063840
(2) Payroll Account		Wells Fargo Bank - Los Angeles, CA		4945 086361
(3) Tax Account		none		

I. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	
Petty Cash	Denver, CO	Not to exceed \$1,000

I, (Print Name:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: February 5, 2004

Thomas W. Dunn

Debtor In Possession or Trustee Signature
Secretary / Treasurer

Office of the United States Trustee

In re: Hauser Technical Services, Inc.

A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor in Possession Interim Statement

Statement Number:

10

For the period:

FROM:

1/1/2004

TO:

1/31/2004

Disbursement nt	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
1/2/2004	12170	6800 Broadway Business Center, LLC	Clear Creek Jan Rent	26,672		
1/2/2004	12171	Aetna (Dental)	Jan Dental	2,451		
1/2/2004	12172	CGLIC-Phoenix EASC	Jan Medical	22,731		
1/2/2004	12173	Jefferson Pilot Financial Insurance Co.	Jan Life Ins	100		
1/2/2004	12174	Vision Service Plan	Jan Vision	200		
1/2/2004	12175	Woodsphear Properties	Jan Gunbarrel Rent	17,116		
1/15/2004	12176	Air-Right, Inc.	Other	150		
1/15/2004	12177	Airgas Dry Ice	Other	235		
1/15/2004	12178	American Peptide Company, Inc.	Custom Peptide for Project	7,820		
1/15/2004	12179	Ben Hughes	Mileage	108		
1/15/2004	12180	bioMERIEUX VITEK, INC.	Other	61		
1/15/2004	12181	Biopharma Compliance Services, LLC	Contract Project Services	2,960		
1/15/2004	12182	Cleaning Service	Other	350		
1/15/2004	12183	Federal Express	Other	901		
1/15/2004	12184	Fisher Scientific	Other	36		
1/15/2004	12185	GE Capital	Copier Leases	1,029		
1/15/2004	12186	Hauser (Microbac)	Other	500		
1/15/2004	12187	Industrial Container Services	Other	301		
1/15/2004	12188	Jennifer Hobson	Reimburse office exp.	19		
1/15/2004	12189	Laboratory Supply Distributors, Corp.	Other	64		
1/15/2004	12190	Linweld, Inc.	Other	456		
1/15/2004	12191	Mile Hi Culligan Water, Inc.	Other	64		
1/15/2004	12192	Mtech	Equip Repair	2,398		
1/15/2004	12193	Nelson Laboratories, Inc.	Other	200		
1/15/2004	12194	North Pecos Water & Sanitation	Other	12		
1/15/2004	12195	Orkin Exterminating	Other	392		
1/15/2004	12196	QWEST - 023B (was 179B)	Other	164		
1/15/2004	12197	QWEST - 146B (was 421B)	Other	308		
1/15/2004	12198	QWEST - 564B (was 701B)	Other	50		
1/15/2004	12199	Qwest 230M	Other	142		
1/15/2004	12200	Qwest 692B (was 723B)	Other	942		
1/15/2004	12201	Roadway Express	Other	155		
1/15/2004	12202	Service Uniform Rental - DV	Other	147		
1/15/2004	12203	Sigma-Aldrich	Lab Supplies, equipment	2,263		
1/15/2004	12204	UDI, The Sandwichman	Other	122		
1/15/2004	12205	USFilter	Other	154		
1/15/2004	12206	V W R Scientific, Inc.	Lab Supplies, equipment	1,390		
1/15/2004	12207	Waste Management of Denver	Other	56		
1/15/2004	12208	Waters Corporation	Equip Maint. Contract	2,685		
1/16/2004	12209		Voided check	0		
1/16/2004	12210	Christian Sumner	Severance Check - Payroll	6,621		
1/16/2004	12211	Catherine E. Chierotti	Severance Check - Payroll	5,002		
1/16/2004	12212	Robert A. Gordon	Severance Check - Payroll	8,167		
1/16/2004	12213	Terri Facey	Severance Check - Payroll	4,404		
1/22/2004	12214	City of Boulder -Sales Tax Division	4th qtr 03 Use Tax	2,636		
1/22/2004	12215	Colorado Department of Revenue	4th qtr 03 Use Tax	3,970		
1/22/2004	12216	Advanced Trailer Leasing 004	Other	134		
1/22/2004	12217	Airgas Dry Ice	Other	217		
1/22/2004	12218	American Chemical Society	2004 Memberships	1,642		
1/22/2004	12219	Void	Check Voided	0		
1/22/2004	12220	Aramark	Other	165		
1/22/2004	12221	AT&T Wireless Services	Other	135		
1/22/2004	12222	Biotest Diagnostics Corporation	Other	188		

DEBTOR IN POSSESSION INTERIM STATEMENT

Revised February 2002

Detail Sheet "F" - Page 2 of 4

USTLA-3

Office of the United States Trustee

In re: Hauser Technical Services, Inc.

A Delaware Corporation

Chapter 11 Case No: LA 03-18798-BB

Debtor

Debtor in Possession Interim Statement

Statement Number:

10

For the period:

FROM:

1/1/2004

TO:

1/31/2004

Disbursement nt	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
1/22/2004	12223	Boulder Security Center	Other	199		
1/22/2004	12224	CDW Direct LLC	Other	966		
1/22/2004	12225	CO Dept of Health & Environ. (CDPHE)	Waste Water Permit	386		
1/22/2004	12226	Federal Express	Other	242		
1/22/2004	12227	Ikon Office Solutions	Other	467		
1/22/2004	12228	Iron Mountain	Other	114		
1/22/2004	12229	Jackie L. Nelson	Mileage	66		
1/22/2004	12230	Linweld, Inc.	Other	172		
1/22/2004	12231	Margaret Thompson	Mileage/Client meal	158		
1/22/2004	12232	Melissa Varner	Client Dinner	94		
1/22/2004	12233	Motion Telecom, Inc (was Univance)	Other	185		
1/22/2004	12234	Mtech	Equip Maint. & Contract	1,113		
1/22/2004	12235	Nelson Laboratories, Inc.	Other	115		
1/22/2004	12236	Omega Engineering, Inc.	Other	751		
1/22/2004	12237	Orkin Exterminating	Other	130		
1/22/2004	12238	Pure Water Solutions, Inc.	Other	264		
1/22/2004	12239	QWEST - 469B	Other	323		
1/22/2004	12240	Qwest Internet Solutions	Other	50		
1/22/2004	12241	Sean Garrett	Mileage/Batteries	198		
1/22/2004	12242	SERCOM	Equip Repair	1,123		
1/22/2004	12243	Super Tech Filter Corp	Other	253		
1/22/2004	12244	Tri-R Systems, Inc.	Other	58		
1/22/2004	12245	ULINE	Other	107		
1/22/2004	12246	Univ of Colorado Tech Research Cntr	Other	206		
1/22/2004	12247	V W R Scientific, Inc.	Other	341		
1/22/2004	12248	W W Grainger, Inc.	Other	99		
1/22/2004	12249	Xcel Energy (CC)	Clear Creek Dec. Utilities	12,035		
1/22/2004	12250	Xcel Energy (GB)	Gunbarrel Dec Utilities	6,657		
1/23/2004	12251	Denver Reserve	Sec 125 Deductions	830		
1/23/2004	12252	Petty Cash	Other	707		
1/29/2004	12253	Ace Glass, Inc.	Other	797		
1/29/2004	12254	Barry H. Wolfe	Reimb. For holiday party expenses	2,663		
1/29/2004	12255	Biopharma Compliance Services, LLC	Contract Project Services	2,980		
1/29/2004	12256	Corporate Express	Other	664		
1/29/2004	12257	Dairy Engineering	Equip for Project	705		
1/29/2004	12258	Dan W. Childers	Reimb. For Reg Affairs Certification	75		
1/29/2004	12259	David Dunn	Mileage	121		
1/29/2004	12260	Fisher Scientific	Other	23		
1/29/2004	12261	Flanders Filters, Inc.	Filters/Lab supplies	3,559		
1/29/2004	12262	Jeol USA, Inc.	Equip Maint Contract	1,560		
1/29/2004	12263	Kathy Granillo	Copies for Report	66		
1/29/2004	12264	Linweld, Inc.	Other	151		
1/29/2004	12265	Macromolecular Resources	Other	90		
1/29/2004	12266	McGuckin Hardware, Inc.	Other	168		
1/29/2004	12267	Nelson Laboratories, Inc.	Other	115		
1/29/2004	12268	Petty Cash	Other	223		
1/29/2004	12269	Qwest - 922B (was 612B)	Other	47		
1/29/2004	12270	Rodney B. McKeever	Reimbursement for Janitorial Supls.	149		
1/29/2004	12271	Service Uniform Rental - DV	Other	141		
1/29/2004	12272	Sigma-Aldrich	Other	137		
1/29/2004	12273	Tri-R Systems, Inc.	Other	58		
1/29/2004	12274	UDI, The Sandwichman	Meeting with potential acquirer	141		
1/29/2004	12275	WESTFIRE	Fire Suppression Check	495		

DEBTOR IN POSSESSION INTERIM STATEMENT

Revised February 2002

Detail Sheet "F" - Page 3 of 4

USTLA-3

Office of the United States Trustee

In re: Hauser Technical Services, Inc.

A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Interim Statement

Statement Number:

10

For the period:

FROM:

1/1/2004

TO:

1/31/2004

Disbursement nt	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
1/6/2004	Wire Trnsf	Payroll 1-9 - Direct Deposit	Payroll & Payroll Taxes	45,747		
1/7/2004	Wire Trnsf	Payroll 1-9 - Taxes	Payroll & Payroll Taxes	24,829		
1/8/2004	Pyrl Cks	Payroll 1-9 - Checks	Payroll & Payroll Taxes	12,097		
1/7/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	6,659		
1/20/2004	Wire Trnsf	Payroll 1-22 - Direct Deposit	Payroll & Payroll Taxes	41,363		
1/21/2004	Wire Trnsf	Payroll 1-22 - Taxes	Payroll & Payroll Taxes	31,743		
1/22/2004	Pyrl Cks	Payroll 1-22 - Checks	Payroll & Payroll Taxes	10,569		
1/22/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	6,495		
1/2/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	40		
1/16/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	230		
1/30/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	267		
1/21/2004	Acnt Trnsf	Wells Fargo	# Bank Fee	565		
1/27/2004	Wire Trnsf	Hauser Inc.	Admin Fees & Interest	60,000		
TOTAL DISBURSMENTS on this page: (Total will automatically carry to p1)				413,322	0	0