



04027449

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 4/29/04

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

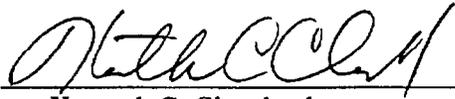
APR 29 2004

THOMSON  
FINANCIAL

**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 27 day of April 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 MARCH 31, 2004 IS BEING FILED  
IN PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP EXEMPTION**

**MONTHLY OPERATING REPORT  
FOR THE MONTH ENDED MARCH 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: Hauser, Inc.  
 A Delaware Corporation  
 Debtor  
 Chapter 11 Case No: LA 03-18795-BB

**RECEIVED**

Debtor in Possession Interim Statement  
 Statement Number: 12  
 For the period: **APR 15 P 12:15**  
 FROM: 3/1/2004  
 3/31/2004  
 OFFICE OF US TRUSTEE  
 LOS ANGELES

CASH ACTIVITY ANALYSIS (Cash Basis Only)	General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements	30,408,347.40	-	-
B. Less: Total Disbursements per all Prior Statements	30,272,161.60	-	-
C. Beginning Balance (A less B)	136,185.80		
<b>D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)</b>			
3/4: Massachusetts tax refund	988		
3/4: NSF Check from received Nutramax	(10,486)		
3/10: Proceeds from sale of Rosemary inventory & IP's	793,838		
3/11: Refunds from Blue CA, Xerox, & Roadway	10,629		
3/15: Boonton UPS deposit refund	632		
3/15: BIE royalty in excess of \$220K	514		
3/23: Proceeds from sale of HP	732,300		
3/24: Proceeds from equipment auction.	250,000		
3/29: HP Real Estate sale earnest money deposit	50,000		
3/31: Proceeds from equipment auction.	52,744		
3/31: Interest income (net of fees)	81		
From Detail Sheet "D"	262,284		
<b>TOTAL RECEIPTS THIS PERIOD (D):</b>	<b>2,143,525</b>		
E. Balance Available (C plus D)	2,279,711		
<b>F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing if needed)</b>			
3/10: Rockland Foods Legal Fees, cost of Rosemary business sale	29,000		
3/10: Wells Fargo, pay down LOC	764,838		
3/23: Wells Fargo, paydown LOC	588,012		
3/23: Wells Fargo, March Legal Fees and Interest	4,410		
3/31: Hauser Technical Services, intercompany loan	40,000		
From Detail Sheet "F"	180,710		
<b>TOTAL DISBURSEMENTS HIS PERIOD (F):</b>	<b>1,608,970</b>		
G. Ending Balance (E less F)	672,741		

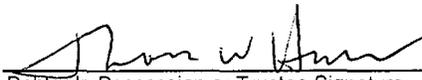
H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank	Los Angeles, CA	4945 063790
(2) Payroll Account	Wells Fargo Bank	Los Angeles, CA	4945 086353
(3) Trust Account	Wells Fargo Bank	Los Angeles, CA	883-6148216
(3) Tax Account	none		

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 \$250
Petty Cash	Denver, CO	not to exceed \$250

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: April 8, 2004

  
 Debtor In Possession or Trustee Signature  
 Chief Financial Officer





**Hauser, Inc.**  
**Debtor In Possession Interim Statement #12**  
**March 1 to Marcy 31, 2004**  
**Detail Sheet F; Cash Disbursements**

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
1	001305	3/16/2004	KENNETH CLEVELAND ASSOCIATES	4,000	4,000	Executive Compensation	Payroll
2	001306	3/11/2004	J. E. FADLEY	2,930	2,930	Professional Management Services	Payroll
3	001307	3/11/2004	ROBERT G BUCK	2,000	2,000	Professional Management Services	Payroll
4	001308	3/11/2004	MICHAEL K. FRANK	1,688	1,688	Contract Labor	All Other Expenses
5	001309	3/11/2004	JEAN PAULSON-KISLESKY, SPHR	1,045	1,045	Contract HR Services	Payroll
6	001310	3/11/2004	DUANE COWGER	400	400	Contract IT Services	All Other Expenses
7	001311	3/11/2004	SBC	391	391	Telephone	All Other Expenses
9	005168	3/2/2004	LIAISON SOFTWARE CORPORATION	279	279	Check Order	All Other Expenses
10	005169	3/4/2004	PRODUCTS DISTRIBUTION, INC.	5,147	5,147	Nov03 inventory warehousing fee	Inventory
11	005170	3/4/2004	ACORDIA	8,694	8,694	Property coverage 2/1 -4/1	Insurance
12	005171	3/4/2004	ADP, INC.	87	87	Reverse wire transfer fees	Payroll
13	005172	3/4/2004	CENTRAL WELD COUNTY WATER DIST	204	204	Water February, HP	All Other Expenses
14	005173	3/4/2004	DUANE COWGER	1,150	1,150	Contract IT services	All Other Expenses
15	005174	3/4/2004	J. E. FADLEY	2,930	2,930	Professional Management Services	Payroll
16	005175	3/4/2004	ADAM FLICK	162	162	Expense reimbursement	All Other Expenses
17	005176	3/4/2004	FRANCHISE TAX BOARD	250	250	Zetapharm, CA fee	All Other Expenses
18	005177	3/4/2004	HAUSER TECHNICAL SERVICES, INC	3,868	3,868	Pacitaxel stability study	All Other Expenses
19	005178	3/4/2004	JEAN PAULSON-KISLESKY, SPHR	1,350	1,350	Contract HR services	Payroll
20	005179	3/4/2004	KENNETH CLEVELAND ASSOCIATES	4,000	4,000	Executive Compensation	Payroll
21	005180	3/4/2004	MOTION TELECOM	74	74	Telephone	All Other Expenses
22	005181	3/4/2004	MICHAEL K. FRANK	1,712	1,712	Contract Labor	All Other Expenses
23	005182	3/4/2004	ONYX ENVIRONMENTAL SERVICE	656	656	Waste disposal fee	All Other Expenses
24	005183	3/4/2004	ROBERT G BUCK	2,000	2,000	Professional Management Services	Payroll
25	005184	3/4/2004	JULIA SANDERS	608	608	Secretarial Services	Payroll
26	005185	3/4/2004	THOMAS HANLON	153	153	Expense reimbursement	All Other Expenses
27	005186	3/4/2004	THOMAS HANLON ASSOCIATES	2,704	2,704	Executive Compensation	Payroll
28	005187	3/4/2004	TOLIN MECHANICAL SYSTEMS CO.	676	676	Electrical disconnect at HP	All Other Expenses
29	005188	3/4/2004	WESTERN DISPOSAL SERVICES	315	315	Dumpster rolloff charge	All Other Expenses
30	005189	3/4/2004	TIMOTHY ZIEBARTH	1,563	1,563	Consulting, re: CRO sale	All Other Expenses
31	005190	3/4/2004	AT&T WIRELESS	226	226	Telephone	All Other Expenses
32	005191	3/4/2004	SCOTT KINDERWATER	1,295	1,295	Environmental Consulting	Payroll
33	005192	3/4/2004	STATE OF NJ-LITTER CONTROL FEE	22	22	Zetapharm, NJ Litter fee 2003	All Other Expenses
34	005193	3/4/2004	M.G. SKINNER & ASSOCIATES	1,927	1,927	EI Segundo liability coverage	All Other Expenses
35	005194	3/4/2004	KLAUS SCHEKAHN	790	790	Expense reimbursement	All Other Expenses
36	005195	3/11/2004	VOID	-	-	Void	Void
37	005196	3/11/2004	JULIA SANDERS	1,216	1,216	Secretarial Services	Payroll
38	005197	3/11/2004	THOMAS HANLON	14	14	Expense Reimbursement	All Other Expenses
39	005198	3/11/2004	THOMAS HANLON ASSOCIATES	2,704	2,704	Executive Compensation	Payroll
40	005199	3/16/2004	VOID	-	-	Void	Void
41	005200	3/16/2004	ACORDIA	5,106	5,106	General Liability CRO	Insurance
42	005201	3/16/2004	CONTINENTAL DEVELOPMENT LP	2,886	2,886	Facility rent, March	All Other Expenses
43	005202	3/16/2004	J.E.FADLEY	2,930	2,930	Professional Management Services	Payroll
44	005203	3/16/2004	KENNETH CLEVELAND ASSOCIATES	4,000	4,000	Executive Compensation	Payroll
45	005204	3/16/2004	ROBERT G BUCK	2,000	2,000	Professional Management Services	Payroll
46	005205	3/16/2004	JULIA SANDERS	608	608	Secretarial Services	Payroll

Hauser, Inc.

Debtor In Possession Interim Statement #12

March 1 to Marcy 31, 2004

Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
47	3/16/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Compensation	Payroll
8	3/18/2004	HOLMAN DISTRIBUTION CENTER		1,114	1,114	Oct Warehousing charge	Inventory
48	3/18/2004	ACORDIA	957		957	Insurance	Insurance
49	3/18/2004	AETNA	71		71	Dental coverage	All Other Expenses
50	3/18/2004	DUANE COWGER	300		300	Contract IT services	All Other Expenses
51	3/18/2004	DENVER RESERVE	1,717		1,717	EE flexible benefit payoff	All Other Expenses
52	3/18/2004	JEFF FADLEY	1,620		1,620	Travel Expense reimbursement	All Other Expenses
53	3/18/2004	JEAN PAULSON-KISLESKY, SPHR	825		825	Contract HR services	Payroll
54	3/18/2004	SCOTT KINDERWATER	630		630	Contract Envir services	All Other Expenses
55	3/18/2004	MICHAEL K. FRANK	825		825	Contract Labor	All Other Expenses
56	3/18/2004	POSTAL PRIVILEGE	20		20	Stamps	All Other Expenses
57	3/18/2004	QWEST	75		75	Telephone	All Other Expenses
58	3/18/2004	QWEST INTERPRISE AMERICA, INC.	100		100	Web site	All Other Expenses
59	3/18/2004	SERVICE INDUSTRIAL INC	361		361	Uniform Rental	All Other Expenses
60	3/18/2004	UNITED POWER	317		317	Electricity, HP	All Other Expenses
61	3/18/2004	WASTE MANAGEMENT	403		403	Document shredding	All Other Expenses
62	3/18/2004	SERVICE INDUSTRIAL INC	69		69	Uniform Rental	All Other Expenses
63	3/19/2004	MICHAEL K. FRANK	1,798		1,798	Contract Labor	All Other Expenses
64	3/24/2004	ACT TELECONFERENCE SERVICES	367		367	Telephone conferencing	All Other Expenses
65	3/24/2004	COMPUTERSHARE	25		25	Stock transfer fee	All Other Expenses
66	3/24/2004	DUANE COWGER	829		829	Contract IT Services	All Other Expenses
67	3/24/2004	J.E.FADLEY	2,930		2,930	Professional Management Services	Payroll
68	3/24/2004	HOGAN & HARTSON	197		197	Foreign Patent Application	All Other Expenses
69	3/24/2004	JEFF FADLEY	122		122	Expense Reimbursement	All Other Expenses
70	3/24/2004	JEAN PAULSON-KISLESKY, SPHR	975		975	Contract HR Services	Payroll
71	3/24/2004	KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Compensation	Payroll
72	3/24/2004	MCDONALD FARMS ENTERPRISES	300		300	Waste Disposal	All Other Expenses
73	3/24/2004	ROBERT G BUCK	2,000		2,000	Professional Management Services	Payroll
74	3/24/2004	JULIA SANDERS	608		608	Contract Secretarial Services	Payroll
75	3/24/2004	JULIA SANDERS	45		45	Expense Reimbursement	All Other Expenses
76	3/24/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Compensation	Payroll
77	3/31/2004	ACT TELECONFERENCE	58		58	Teleconferencing services	All Other Expenses
78	3/31/2004	ADVANCED TRAILER LEASING	173		173	Trailer Leasing	All Other Expenses
79	3/31/2004	KATHLEEN ATKINSON	543		543	Accounting Consulting	All Other Expenses
80	3/31/2004	DUANE COWGER	300		300	IT Consulting	All Other Expenses
81	3/31/2004	J. E. FADLEY	2,930		2,930	Professional Management Services	Payroll
82	3/31/2004	VOID	-		-	VOID	VOID
83	3/31/2004	VOID	-		-	VOID	VOID
84	3/31/2004	KINDERMORGAN	6,121		6,121	Gas Service for 2/13-3/15/04	All Other Expenses
85	3/31/2004	LIAISON	28		28	Check Printing Charges	All Other Expenses
86	3/31/2004	M TECH	1,776		1,776	Cooling Tower Repair	All Other Expenses
87	3/31/2004	MIKE FRANK	245		245	Cell Phone Reimbursement	All Other Expenses
88	3/31/2004	NATIONS RENT	253		253	Forklift Rental	All Other Expenses
89	3/31/2004	QWEST	667		667	Final Adjusted Invoice for 303.772.8166	All Other Expenses
90	3/31/2004	VOID	-		-	VOID	VOID

Hauser, Inc.  
Debtor In Possession Interim Statement #12  
March 1 to Marcy 31, 2004  
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
91	005251	3/31/2004	JULIA SANDERS	33	33	Expense Reimbursement	All Other Expenses
93	005252	3/31/2004	THOMAS HANLON	127	127	Expense Reimbursement	All Other Expenses
94	005253	3/31/2004	THOMAS HANLON ASSOCIATES	2,704	2,704	Executive Management Services	Compensation
95	W0331	3/31/2004	ACORDIA	44,718	44,718	Worker's Compensation Insurance	Insurance
96	ED0305	3/5/2004	UNITED PARCEL SERVICE	140	140	Shipping	All Other Expenses
97	ED0312	3/12/2004	UNITED PARCEL SERVICE	66	66	Shipping	All Other Expenses
98	ED0319	3/19/2004	UNITED PARCEL SERVICE	180	180	Shipping	All Other Expenses
99	ED0326	3/26/2004	UNITED PARCEL SERVICE	72	72	Shipping	All Other Expenses
100	GJ	3/1/2004	WELLS FARGO	9,331	9,331	Interest	Interest
101	GJ	3/16/2004	WELLS FARGO	3,617	3,617	Interest	Interest
102	GJ	3/22/2004	WELLS FARGO	861	861	Client Analysis Fee	All Other Expenses
			<b>174,450</b>	<b>6,260</b>	<b>180,710</b>		



**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 ... Possession Interim Statement**  
 Statement Number: 12  
 For the period:  
 FROM: 3/1/2004  
 TO: 3/31/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
3/4/2004	11993	BioWest 2003 Conference	Other	25		
3/3/2004	12367	Void	Other	0		
3/3/2004	12368	Void	Other	0		
3/8/2004	12369	6800 Broadway Business Center, LLC	March Clear Creek Rent	24,591		
3/8/2004	12370	Woodspear Properties	March Gunbarrel Rent	17,116		
3/10/2004	12371	Aetna (Dental)	March Dental Prem	2,525		
3/10/2004	12372	Agilent Technologies	Other	307		
3/10/2004	12373	Airgas Dry Ice	Other	381		
3/10/2004	12374	Aramark	Other	53		
3/10/2004	12375	AT&T Wireless Services	Other	135		
3/10/2004	12376	Attentive Action, Inc.	Feb Cleaning Serv.	1,314		
3/10/2004	12377	Ben Hughes	Mileage	101		
3/10/2004	12378	Biopharma Compliance Services, LLC	Contract Proj Serv	2,720		
3/10/2004	12379	Biotest Diagnostics Corporation	Other	183		
3/10/2004	12380	Brinkmann Instruments, Inc.	Other	280		
3/10/2004	12381	CDS Analytical, Inc	Other	233		
3/10/2004	12382	CGLIC-Phoenix EASC	March Med Prem	17,629		
3/10/2004	12383	CO Dept of Health & Environ. (CDPHE)	Permits/fees	455		
3/10/2004	12384	Corporate Express	Other	15		
3/10/2004	12385	Dan W. Childers	Client Lunch	63		
3/10/2004	12386	Denver Reserve	Flex/Dependant Care fee	728		
3/10/2004	12387	E. Scientific.Com, Inc	Supplies for Proj	1,210		
3/10/2004	12388	Federal Express	Other	394		
3/10/2004	12389	GE Capital	Copier Leases	589		
3/10/2004	12390	Iron Mountain	Other	114		
3/10/2004	12391	Jefferson Pilot Financial Insurance Co.	Life Ins/Mar Prem	759		
3/10/2004	12392	Jeol USA, Inc.	Equip Maint Contract	1,560		
3/10/2004	12393	Linweld, Inc.	Gases	1,006		
3/10/2004	12394	McGuckin Hardware, Inc.	Other	249		
3/10/2004	12395	Motion Telecom, Inc (was Univance)	L/D Service	447		
3/10/2004	12396	Motor Cargo	Other	498		
3/10/2004	12397	Mtech	Equip Repair	307		
3/10/2004	12398	Nelson Laboratories, Inc.	Other	115		
3/10/2004	12399	Orkin Exterminating	Other	257		
3/10/2004	12400	Quantum Analytics	Equip Lease	355		
3/10/2004	12401	QWEST - 023B (was 179B)	Other	164		
3/10/2004	12402	QWEST - 146B (was 421B)	Other	308		
3/10/2004	12403	QWEST - 564B (was 701B)	Other	50		
3/10/2004	12404	Qwest - 922B (was 612B)	Other	47		
3/10/2004	12405	Rodney B. McKeever	Janitorial Supplies	111		
3/10/2004	12406	SASSCO	Other	90		
3/10/2004	12407	Service Uniform Rental - DV	Other	47		
3/10/2004	12408	Sigma-Aldrich	Other	302		
3/10/2004	12409	Spectrum Chemicals & Laboratory Prod	Other	165		
3/10/2004	12410	Todd Klimkowsky	Mileage	94		
3/10/2004	12411	Tri-R Systems, Inc.	Other	58		
3/10/2004	12412	ULINE	Other	120		
3/10/2004	12413	Vision Service Plan	Mar Vision Prem	186		
3/10/2004	12414	W W Grainger, Inc.	Other	125		
3/10/2004	12415	Waste Management of Denver	Other	55		
3/17/2004	12416	Ace Glass, Inc.	Equip for Project	794		
3/17/2004	12417	Advanced Trailer Leasing 004	Other	134		
3/17/2004	12418	Agilent Technologies	Other	50		

**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 Possession Interim Statement

Statement Number: 12

For the period:

FROM: 3/1/2004  
 TO: 3/31/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
3/17/2004	12419	Airgas Dry Ice	Other	165		
3/17/2004	12420	Boulder Security Center	Other	58		
3/17/2004	12421	CDS Analytical, Inc	Other	61		
3/17/2004	12422	Cole-Parmer Instrument Co.	Thermometer	1,493		
3/17/2004	12423	David Dunn	Mileage	42		
3/17/2004	12424	Denver Reserve	Payroll deductions & shortfalls	1,644		
3/17/2004	12425	Elliott Mead	Dry Ice	29		
3/17/2004	12426	Janelle Bailey	Mileage	35		
3/17/2004	12427	Jefferson Pilot Financial Insurance Co.	Voluntary Life Premium/Mar	61		
3/17/2004	12428	Merck and Company, Inc.	Other	60		
3/17/2004	12429	Mile Hi Culligan Water, Inc.	Other	179		
3/17/2004	12430	North Pecos Water & Sanitation	Other	16		
3/17/2004	12431	Omega Engineering, Inc.	Other	32		
3/17/2004	12432	Pure Water Solutions, Inc.	Rental & Maint.	455		
3/17/2004	12433	QA Balance Services, Inc.	Calibration	426		
3/17/2004	12434	QWEST - 146B (was 421B)	Other	312		
3/17/2004	12435	Qwest 230M	Other	137		
3/17/2004	12436	Qwest 692B (was 723B)	Other	921		
3/17/2004	12437	RockyNet.com, Inc.	Other	900		
3/17/2004	12438	V W R Scientific, Inc.	Supplies & Chemicals	1,430		
3/17/2004	12439	Waters Corporation	Maint Contract	2,685		
3/17/2004	12440	Xcel Energy (Clear Creek)	Clear Creek Feb Utilities	11,639		
3/17/2004	12441	Xcel Energy (Gunbarrel)	Gunbarrel Feb Utilities	1,974		
3/24/2004	12442	Adams County Clerk	Other	84		
3/24/2004	12443	Airgas Dry Ice	Other	167		
3/24/2004	12444	Aramark	Other	163		
3/24/2004	12445	bioMERIEUX VITEK, INC.	Other	188		
3/24/2004	12446	Biopharma Compliance Services, LLC	Contract Proj Serv	1,440		
3/24/2004	12447	Biotest Diagnostics Corporation	Other	187		
3/24/2004	12448	Cleaning Service	Gunbarrel Feb Cleaning	350		
3/24/2004	12449	COBEX Recorders, Inc	Other	63		
3/24/2004	12450	Corporate Express	Other	626		
3/24/2004	12451	Cynthia S. Thompson	Mileage	35		
3/24/2004	12452	Federal Express	Other	819		
3/24/2004	12453	Industrial Container Services	Drums for project	301		
3/24/2004	12454	Iron Mountain	Other	114		
3/24/2004	12455	Jeol USA, Inc.	Maint Contract	1,560		
3/24/2004	12456	Linweld, Inc.	Other	533		
3/24/2004	12457	McGuckin Hardware, Inc.	Other	304		
3/24/2004	12458	Melissa Varner	Copies for promo	176		
3/24/2004	12459	Mtech	Maint Contract	744		
3/24/2004	12460	Orkin Exterminating	Other	389		
3/24/2004	12461	Petty Cash	Truck Rental/mileage	388		
3/24/2004	12462	Q-Cee's	Labels	126		
3/24/2004	12463	Quantum Analytics	Equip Lease	355		
3/24/2004	12464	QWEST - 469B	Other	386		
3/24/2004	12465	Remel, Inc.	Other	320		
3/24/2004	12466	RockyNet.com, Inc.	Internet services	900		
3/24/2004	12467	Service Uniform Rental - DV	Other	77		
3/24/2004	12468	Sigma-Aldrich	Other	146		
3/24/2004	12469	Stericycle, Inc.	Quarterly Service/disposal	460		
3/24/2004	12470	Super Tech Filter Corp	Other	88		
3/24/2004	12471	USFilter	Other	75		
3/24/2004	12472	V W R Scientific, Inc.	Other	780		

DEBTOR IN POSSESSION INTERIM STATEMENT

**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: **12**  
 For the period:  
 FROM: **3/1/2004**  
 TO: **3/31/2004**

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
3/24/2004	12473	Verio, Inc.	New Web Host	210		
3/4/2004	Wire Trnsf	Payroll 3-4 - Direct Deposit	Payroll & Payroll Taxes	39,399		
3/4/2004	Wire Trnsf	Payroll 3-4 - Taxes	Payroll & Payroll Taxes	20,462		
3/5/2004	Pyrl Cks	Payroll 3-4 - Checks	Payroll & Payroll Taxes	9,862		
3/5/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,816		
3/17/2004	Wire Trnsf	Payroll 3-18 - Direct Deposit	Payroll & Payroll Taxes	40,330		
3/18/2004	Wire Trnsf	Payroll 3-18 - Taxes	Payroll & Payroll Taxes	21,263		
3/18/2004	Pyrl Cks	Payroll 3-18 - Checks	Payroll & Payroll Taxes	10,492		
3/24/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	6,037		
3/30/2004	Wire Trnsf	Payroll 4-1 - Direct Deposit	Payroll & Payroll Taxes	41,211		
3/31/2004	Wire Trnsf	Payroll 4-1 - Taxes	Payroll & Payroll Taxes	21,698		
3/31/2004	Pyrl Cks	Payroll 4-1 - Checks	Payroll & Payroll Taxes	10,492		
3/31/2004	Wire Trnsf	Putnam Transfer (401k)	401 K Deposit	5,677		
3/5/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	40		
3/15/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	209		
3/29/2004	Wire Trnsf	ADP Processing Fee	Payroll Processing Fee	209		
3/20/2004	Acnt Trnsf	Wells Fargo	# Bank Fee	587		

<b>TOTAL DISBURSMENTS on this page: (Total will automatically carry to p1)</b>	<b>350,707</b>	<b>0</b>	<b>0</b>
--	----------------	----------	----------

# 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: 12  
 For the period: **RECEIVED**  
 FROM: March 1, 2004  
 March 31, 2004  
 2004 APR 15 P 12:16

**1. Profit and Loss Statement (Accrual Basis Only)**

OFFICE OF US TRUSTEE  
 LOS ANGELES, CA

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			
<b>Total Income</b>			
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			
<b>Total Operating Expenses</b>			
<b>Net Gain/Loss from Business Operations</b>			
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			
<b>Net Gain/Loss Not from Business Operations</b>			
<b>NET INCOME / LOSS FOR PERIOD</b>			

See Attached Sheet

**2. Aging of Accounts Payable and Accounts Receivable\***

\*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days		-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	67	230,726
Overdue - 91 - 120 Days	251	-
Overdue - Over 121 Days		336,226
<b>TOTAL</b>	<b>318</b>	<b>566,952</b>

**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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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	5,332,810	\$ 250	11/20/2003	\$ 250	4690	\$ -
9/30/2003	5,332,810	\$ 7,750	12/29/2003	\$ 7,750	4888	\$ -
12/31/2003	9,581,934	\$ 12,000	2/26/2004	\$ 12,000	5165	\$ -

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: April 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	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	4/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	6/1/2004	6/1/2004
Hauser El Segundo	Essex Insurance	\$1MM	3/5/2005	3/5/2005
Property	St. Paul/Acordia	See Below	4/1/2004	4/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	4/1/2004	4/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	3/31/2004	3/31/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	4/1/2004	4/1/2004

**Botanicals International Extracts, Inc.**  
**March 31, 2004**  
(dollars in thousands)

	Current Month Actual	Twelve Months Ended Year-to-date Actual
Sales	221	16,695
Cost of Sales	1	12,859
Gross margin	<u>219</u>	<u>3,837</u>
Sales and marketing	-	1,517
G & A expenses	-	646
Total	<u>-</u>	<u>2,162</u>
Contribution	219	1,674
Corporate Services	-	1,635
Operating income (loss)	<u>219</u>	<u>40</u>
Interest expense	-	(289)
Profit (Loss) before Other Income (Expense) & Discontinued Operation	<u>219</u>	<u>(249)</u>
Gain/(Loss) on Disposal of Assets	-	(609)
Chapter 11 Reorganization Costs	-	-
Profit (loss) before tax	<u>219</u>	<u>(858)</u>
Income taxes	-	-
Net income (loss)	<u>219</u>	<u>(858)</u>



# COPY

Office of the United States Trustee

In re: Hauser Inc.  
 A Delaware Corporation  
 Debtor  
 Chapter 11 Case No: LA 03-18795-BB

**RECEIVED**

Debtor in Possession Operating Report  
 Report Number: 12  
 FROM: APR 9 5:12:16 PM 2004  
 TO: March 1, 2004 - March 31, 2004

OFFICE OF US TRUSTEE  
 LOS ANGELES CA

## 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			
<b>Total Income</b>			
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			
<b>Total Operating Expenses</b>			
<b>Net Gain/Loss from Business Operations</b>			
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			
<b>Net Gain/Loss Not from Business Operations</b>			
<b>NET INCOME / LOSS FOR PERIOD</b>			

See Attached Sheet

**2. Aging of Accounts Payable and Accounts Receivable\***

\*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	19,416	-
Overdue - 31 - 60 Days	-	15,165
Overdue - 61 - 90 Days	1,464	3,150
Overdue - 91 - 120 Days	1,650	500
Overdue - Over 121 Days		365,518
<b>TOTAL</b>	<b>22,529</b>	<b>384,333</b>

**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	1	198

\* Explanation for Non-Payment:

The Hauser equipment under the GE Capital lease has been returned and we are awaiting a final reconciliation of amounts due.

**4. Tax Liability:**

Gross Payroll Expense for Period:

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	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		291
Real Property Taxes	17-Mar	123,822.51	

\* 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	\$ 1,036,000
Kaye Scholer LLP	Attorney	\$ 496,000
Peitzman, Glassman, Weg & Kempinsky LLP	Attorney	\$ 72,000
BDO Seidman	Accountant	\$ 10,000
Deloitte & Touche LLP	Accountant	\$ 68,000
Willkie Farr & Gallagher	Attorney	\$ 161,000

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  
 Hauser sold at auction its real property and equipment in Longmont, Colorado.

---

---

---

---

---

---

---

---

---

---

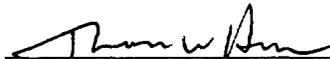
9. Quarterly Fees\*

\*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
6/30/2004	6,997,191	\$ 10,000	8/7/2003	\$ 10,000	3946	\$ -
9/30/2004	3,108,371	\$ 10,000	11/6/2003	\$ 10,000	4630	\$ -
12/31/2004	3,447,790	\$ 6,000	2/26/2004	\$ 6,000	5161	\$ -

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: April 12, 2004

  
 Debtor in Possession or Trustee  
 Chief Financial Officer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	4/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	6/1/2004	6/1/2004
Hauser El Segundo	Essex Insurance	\$1MM	3/5/2005	3/5/2005
Property	St. Paul/Acordia	See Below	4/1/2004	4/1/2004
Real Property	St. Paul/Acordia	1,818,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	4/1/2004	4/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liabili	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	3/31/2004	3/31/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	4/1/2004	4/1/2004

**Hauser, Inc.**  
**March 31, 2004**

(dollars in thousands)

	Current Month <u>Actual</u>	Twelve Months Ended Year-to-date <u>Actual</u>
Sales	\$0	\$3,592
Cost of Sales	<u>\$51</u>	<u>\$3,675</u>
Gross margin	(51)	(83)
Sales and marketing	0	412
G & A expenses	<u>98</u>	<u>3,335</u>
Total Operating Cost	<u>98</u>	<u>3,748</u>
Contribution	<u>(149)</u>	<u>(3,830)</u>
Corporate Services	<u>(20)</u>	<u>(2,075)</u>
Operating income (loss)	<u>(129)</u>	<u>(1,755)</u>
New products expense	0	(377)
Interest expense	<u>(8)</u>	<u>(276)</u>
Profit (Loss) before Other Income	<u>(137)</u>	<u>(2,408)</u>
Gain/Loss on Sale of Equipment	751	(3,095)
Income from Discontinued Operations	0	500
Chapter 11 Reorganization Costs	<u>(100)</u>	<u>(3,083)</u>
Profit (loss) before tax	<u>514</u>	<u>(8,085)</u>
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$514</u>	<u>(\$8,085)</u>



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: 12  
 For the period-  
 FROM: March 1, 2004  
 TO: March 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			
<b>Total Income</b>			
EXPENSES		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			
<b>Total Operating Expenses</b>			
<b>Net Gain/Loss from Business Operations</b>			
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		EXPENSES	
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
<b>Net Gain/Loss Not from Business Operations</b>			
<b>NET INCOME / LOSS FOR PERIOD</b>			

See Attached Sheet

## 2. Aging of Accounts Payable and Accounts Receivable\*

\*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	121,550	294,818
Overdue - 31 - 60 Days		127,167
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		
<b>TOTAL</b>	<b>121,550</b>	<b>421,985</b>

## 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
US Filter	Semi-annual	110	5/4/2004	None	
US Filter	Quarterly	63	6/15/2004	None	
GE Capital	Monthly	589	4/12/2004	None	
Advanced Trailer Leasing	Monthly	134	4/14/2004	None	
Pure Water	Monthly	264	4/16/2004	None	
Quantum	Monthly	355	4/30/2004	None	
6800 Broadway Bsn Ctr	Monthly	26,672	5/1/2004	None	
Woodspear Properties	Monthly	17,116	♦	None	

\* Explanation for Non-Payment: \_\_\_\_\_

## 4. Tax Liability:

Gross Payroll Expense for Period: 221,087  
 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 - 3/31/2004	55,504	-
State Payroll and Withholding Taxes	by - 3/31/2004	7,918	-
State Sales and Use Taxes	by - 4/20/2004	-	885
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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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

---



---



---



---



---



---



---

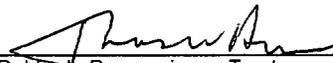
9. Quarterly Fees\*

\*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 Owning
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
12/31/2003	1,284,036	5,000	2/12/2004	5,000	12324	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: April 12, 2004

  
 Debtor in Possession or Trustee  
 Title - Secretary / Treasurer

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

Debtor In Possession Operating Report  
Report Number: 12

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	4/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	6/1/2004	6/1/2004
Hauser El Segundo	Essex Insurance	\$1MM	3/5/2005	3/5/2005
Property	St. Paul/Acordia	See Below	4/1/2004	4/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	4/1/2004	4/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	3/31/2004	3/31/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	4/1/2004	4/1/2004

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

	<u>Month</u> Actual	<u>Year-to-date</u> Actual
Sales	\$271	4,641
Cost of sales	344	4,416
Gross margin	<u>(72)</u>	<u>225</u>
Sales and marketing	8	160
G & A expenses	<u>20</u>	<u>288</u>
Total	<u>28</u>	<u>447</u>
Contribution	(101)	(222)
Corporate Services	<u>20</u>	<u>441</u>
<b>Operating income (loss)</b>	<b><u>(121)</u></b>	<b><u>(663)</u></b>
Interest expense	(2)	(88)
<b>Reorganization Costs</b>	<b>0</b>	<b>(15)</b>
<b>Profit (loss) before tax</b>	<b><u>(123)</u></b>	<b><u>(766)</u></b>



COPY

Office of the United States Trustee

In re: Zetapharm Inc.  
 A New York Corporation  
 Debtor  
 Chapter 11 Case No: LA 03-18802-BB

**RECEIVED**  
 Debtor In Possession Operating Report  
 Report Number: 12  
 For the period: FROM: **APR 15: P 12: 17** March 1, 2004  
 TO: March 31, 2004

OFFICE OF US TRUSTEE  
 LOS ANGELES CA

**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			
<b>Total Income</b>			
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			
<b>Total Operating Expenses</b>			
<b>Net Gain/Loss from Business Operations</b>			
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			
<b>Net Gain/Loss Not from Business Operations</b>			
<b>NET INCOME / LOSS FOR PERIOD</b>			

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
<b>TOTAL</b>	-	<b>19,525</b>

## 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 Owing
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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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?

<input type="checkbox"/>	YES (Explain:)
<input checked="" type="checkbox"/>	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

---



---



---



---



---



---



---

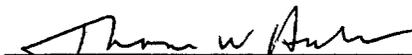
9. Quarterly Fees\*

\*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	11/6/2003	\$ 250	4630	\$ -
12/31/2003	None	\$ 250	2/26/2004	\$ 250	5166	\$ -

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: April 12, 2004

  
 Debtor in Possession or Trustee  
 Secretary/Treasurer

In re: Zetapharm Inc.  
A New York Corporation

Debtor In Possession Operating Report  
Report Number: 12

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	4/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	6/1/2004	6/1/2004
Hauser El Segundo	Essex Insurance	\$1MM	3/5/2005	3/5/2005
Property	St. Paul/Acordia	See Below	4/1/2004	4/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	985,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	4/1/2004	4/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	3/31/2004	3/31/2004
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	4/1/2004	4/1/2004

