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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

NANCY J. VICTORY
(202) 429-7388

March 24, 1998

FACSIMILE
(202) 429-7049

The Honorable William E. Kennard
The Honorable Susan Ness
The Honorable Michael K. Powell
The Honorable Harold W. Furchtgott-Roth
The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed please find a copy of the U.S. Trustee Report for January 1998 to supplement the monthly status report previously filed by MobileMedia Corporation on March 6, 1998.

Should any questions arise concerning this filing, please contact the undersigned counsel for MobileMedia Corporation.

Sincerely,


Nancy J. Victory

cc: Daniel Phythyon, Esq.
David Solomon, Esq.
Rosalind K. Allen, Esq.
Gary Schonman, Esq.
John J. Riffer, Esq.
John Harwood, Esq.
Philip Spector, Esq.
Ky E. Kirby, Esq.
David Spears, Esq.
Ms. Magalie Roman Salas (for inclusion with WT Docket No. 97-115)

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**OFFICE OF THE U.S. TRUSTEE - REGION 3
MONTHLY OPERATING REPORT**

For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

Required Attachments:	Document Attached	Previously Submitted	Explanation Attached
1. Tax Receipts	()	(X)	(X)
2. Bank Statements	()	()	(X)
3. Most recently filed Income Tax Return	()	(X)	()
4. Most recent Annual Financial Statements prepared by accountant	()	(X)	()

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

David R. Gibson
SIGNATURE OF RESPONSIBLE PARTY

Senior Vice President/Chief Financial Officer
TITLE

David R. Gibson
PRINTED NAME OF RESPONSIBLE PARTY

March 19, 1998
DATE

**OFFICE OF THE U.S. TRUSTEE - REGION 3
ATTACHMENT**

For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

-
1. Payroll tax filings and payments are made by Automated Data Processing, Inc. (an outside payroll processing company). Evidence of tax payments are available upon request. Previously, the Debtors filed copies of such evidence for the third quarter of 1996 with the US Trustee.

Please see the Status of Post Petition Taxes attached hereto for the month's activity.

2. The Debtors have 52 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows in the Monthly Operating Report. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

OFFICE OF THE U.S. TRUSTEE - REGION 3
CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS
For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

See Statement of Operations for reporting period attached.

HEADNOTES:

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) Operating expense and EBITDA for December 1997 includes the favorable impact of (i) a \$4.0 million reversal of previously recorded 1997 telephone expense accruals. The primary reason for the reversal is due to the Federal Communication Commission's recent clarification of interconnection rules, issued in December 1997 and (ii) a reduction in bad debt expense. Bad debt expense is \$1.5, \$0.8 and \$3.5 million, respectively in January, December and November. The lower December bad debt expense reflects a change in the provision due to higher cash collections in the fourth quarter of 1997 than originally forecast.

MobileMedia Corporation and Subsidiaries
Consolidated Statements of Operations
For the Months Ended January 31, 1998, December 31, 1997 and November 30, 1997
 (Unaudited)
 (in thousands)

	January 1998	December 1997	November 1997
Paging Revenues			
Service, Rents & Maintenance	536,241	535,843	537,711
Equipment Sales			
Product Sales	2,233	1,979	3,229
Cost of Products Sold	2,037	2,214	3,293
Equipment Margin	196	(235)	(64)
Net Revenue	36,438	35,608	37,647
Operating Expense			
Service, Rents & Maintenance	9,809	6,556	11,512
Selling	5,106	5,499	4,863
General & Administrative	12,627	11,998	14,228
Operating Expense Before Depr. & Amort.	27,542	24,053 (1)	30,603
EBITDA Before Reorganization Costs	8,896	11,555 (1)	7,044
Reorganization Costs	1,595	1,412	1,466
EBITDA after Reorganization Costs	7,301	10,143 (1)	5,579
Depreciation	8,527	8,682	8,544
Amortization	8,246	9,244	9,244
Total Depreciation and Amortization	16,773	17,926	17,788
Operating Loss	(9,472)	(7,783)	(12,209)
Interest Expense	5,138	5,394	5,327
Other Expense	(1)	0	0
Taxes	42	324	0
Net Loss	(14,650)	(13,501)	(17,537)

See Accompanying Notes.

OFFICE OF THE U.S. TRUSTEE - REGION 3
CONDENSED CONSOLIDATED BALANCE SHEET
For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

See balance sheet attached.

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be year end asset adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) Since the filing of the Monthly Operating Report for the month ended December 31, 1997, the Company increased its December and November accounts receivable and accrued expenses by \$7.6 million. Such change was made to reflect the reclassification of credit balances resulting from historical errors in processing accounts receivable, which arose prior to 1997.

MobileMedia Corporation and Subsidiaries
Consolidated Balance Sheets
 As of January 31, 1998, December 31, 1997 and November 30, 1997
 (Unaudited)
 (in thousands)

	January 1998	December 1997	November 1997
Assets			
Current Assets			
Cash	\$5,929	\$10,907	\$7,199
Accounts Receivable, Net	50,771	53,111 (1)	56,822 (1)
Inventory	713	868	1,505
Prepaid Expenses	1,410	1,439	1,088
Other Current Assets	5,039	2,782	2,758
Total Current Assets	63,862	69,108	69,372
Noncurrent Assets			
Property and Equipment, Net	251,069	257,937	263,034
Deferred Financing Fees, Net	22,636	22,939	23,493
Investment in Net Assets Of Equity Affiliate	1,766	1,788	1,985
Intangible Assets, Net	998,623	1,006,835	1,016,044
Other Assets	528	561	653
Total Noncurrent Assets	1,274,622	1,290,060	1,307,199
Total Assets	\$1,338,484	\$1,379,168	\$1,376,564
Liabilities and Stockholders' Equity			
Liabilities Not Subject to Compromise			
DIP Credit Facility	\$3,000	\$10,000	\$12,000
Accrued Reorganization Costs	6,078	4,897	4,520
Accrued Wages, Benefits and Payroll Taxes	15,191	13,999	12,240
Accounts Payable - Pre Petition	4,444	3,633	5,360
Accrued Interest (Chase & DIP Facilities)	4,765	4,777	4,566
Accrued Expenses and Other Current Liabilities	32,707	35,075 (1)	37,379 (1)
Advance Billings and Customer Deposits	34,939	34,252	34,537
Total Liabilities Not Subject To Compromise	101,126	106,634	110,602
Liabilities Subject to Compromise			
Accrued Wages, Benefits and Payroll Taxes	3,093	3,093	3,093
Chase Credit Facility	649,000	649,000	649,000
Notes Payable - 10 1/2%	174,125	174,125	174,125
Notes Payable - 9 3/8%	250,000	250,000	250,000
Notes Payable - Yarnall	986	986	986
Notes Payable - Dial Page 12 1/4%	1,570	1,570	1,570
Accrued Interest On Notes Payable	20,423	20,423	20,757
Accounts Payable- Pre Petition	19,159	19,647	18,991
Accrued Expenses and Other Current Liabilities - Pre Petition	21,520	21,520 (1)	22,129 (1)
Other Liabilities	4,783	4,820	4,858
Total Liabilities Subject To Compromise	1,144,689	1,146,184	1,146,110
Deferred Tax Liability	72,097	72,097	72,097
Stockholders' Equity			
Class A Common Stock	39	39	39
Class B Common Stock	2	2	2
Additional Paid-In Capital	671,459	671,459	671,459
Accumulated Deficit - Pre Petition	(437,127)	(437,127)	(437,127)
Accumulated Deficit - Post Petition	(207,648)	(192,998)	(179,497)
Total Stockholders' Equity	26,725	41,375	54,877
Less:			
Treasury Stock	(6,123)	(6,123)	(6,123)
Total Stockholders' Equity	20,602	35,252	48,754
Total Liabilities and Stockholders' Equity	\$1,338,484	\$1,379,168	\$1,376,564

See Accompanying Notes

Footnotes to the Financial Statements:

1. These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed Of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be year end audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

In March 1995, the Financial Accounting Standards Board issued SFAS 121, which is effective for financial statements for fiscal years beginning after December 15, 1995. Under certain circumstances, SFAS 121 requires companies to write down the carrying value of long-lived assets recorded in the financial statements to the fair value of such assets. A significant amount of the assets of the Company, which were acquired as a result of the acquisitions of businesses, including the Dial Page and MobileComm acquisitions, were recorded in accordance with principles of purchase accounting at acquisition prices and constitute long-lived assets. The Company has determined, and its independent auditors have concurred, that SFAS 121 is applicable to the Company, and therefore the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write down will be material; however, it is not possible at this time to determine such amount. Since the Company cannot comply with SFAS 121 at this time, it is unable to issue audited financial statements in compliance with generally accepted accounting principles. Consequently, the Company will not file its Report on Form 10-K or its other periodic reports under the Securities Exchange Act of 1934, as amended.

2. On January 30, 1997 (the "Filing Date"), MobileMedia Corporation (the "Company"), MobileMedia Communications, Inc. ("MobileMedia Communications") and all seventeen of MobileMedia Communications' subsidiaries (collectively with the Company and MobileMedia Communications, the "Debtors"), filed for protection under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are operating as debtors-in-possession and are subject to the jurisdiction of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

The Bankruptcy Court has authorized the debtors to pay certain pre-petition creditors. These permitted pre-petition payments include: (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

Footnotes to the Financial Statements (continued):

On January 27, 1998, the Company filed its Joint Plan of Reorganization with the Bankruptcy Court.

3. Since the Filing Date, the Debtors have continued to manage their business as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code. During the pendency of the Chapter 11 cases, the Bankruptcy Court has jurisdiction over the assets and affairs of the Debtors, and their continued operations are subject to the Bankruptcy Court's protection and supervision. The Debtors have sought, obtained, and are in the process of applying for, various orders from the Bankruptcy Court intended to stabilize and reorganize their business and minimize any disruption caused by the Chapter 11 cases.
4. Since the filing of the Monthly Operating Report for the month ended December 31, 1997, the Company increased its December and November accounts receivable and accrued expenses by \$7.6 million. Such change was made to reflect the reclassification of credit balances resulting from historical errors in processing accounts receivable, which arose prior to 1997.

Operating expense and EBITDA for December 1997 includes the favorable impact of (i) a \$4.0 million reversal of previously recorded 1997 telephone expense accruals. The primary reason for the reversal is due to the Federal Communication Commission's recent clarification of interconnection rules, issued in December 1997 and (ii) a reduction in bad debt expense. Bad debt expense is \$1.5, \$0.8 and \$3.5 million, respectively, in January, December and November. The lower December bad debt expense reflects a change in the provision due to higher cash collections in the fourth quarter of 1997 than originally forecast.

5. The Company is one of the largest paging companies in the U.S., with approximately 3.4 million system reported units in service at January 31, 1998, and offers local, regional and national paging services to its subscribers. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's business is conducted primarily through the Company's principal operating subsidiary, MobileMedia Communications, and its subsidiaries. The Company markets its services primarily under the "MobileComm" brand name. All significant intercompany accounts and transactions have been eliminated.

Footnotes to the Financial Statements (continued):

6. As previously announced in its September 27, 1996 and October 21, 1996 releases, the Company discovered misrepresentations and other violations which occurred during the licensing process for as many as 400 to 500, or approximately 6% to 7%, of its approximately 8,000 local transmission one-way paging stations. The Company caused an investigation to be conducted by its outside counsel, and a comprehensive report regarding these matters was provided to the FCC in the fall of 1996. In cooperation with the FCC, outside counsel's investigation was expanded to examine all of the Company's paging licenses, and the results of that investigation were submitted to the FCC on November 8, 1996. As part of the cooperative process, the Company also proposed to the FCC that a Consent Order be entered which would result, among other things, in the return of certain local paging authorizations then held by the Company, the dismissal of certain pending applications for paging authorizations, and the voluntary acceptance of a substantial monetary forfeiture.

On January 13, 1997, the FCC issued a Public Notice relating to the status of certain FCC authorizations held by the Company. Pursuant to the Public Notice, the FCC announced that it had (i) automatically terminated approximately 185 authorizations for paging facilities that were not constructed by the expiration date of their construction permits and remained unconstructed, (ii) dismissed approximately 94 applications for fill-in sites around existing paging stations (which had been filed under the so-called "40-mile rule") as defective because they were predicated upon unconstructed facilities and (iii) automatically terminated approximately 99 other authorizations for paging facilities that were constructed after the expiration date of their construction permits. With respect to the approximately 99 authorizations where the underlying station was untimely constructed, the FCC granted the Company interim operating authority subject to further action by the FCC.

On April 8, 1997, the FCC adopted an order commencing an administrative hearing into the qualification of the Company to remain a licensee. The order directed an Administrative Law Judge to take evidence and develop a full factual record on directed issues concerning the Company's filing of false forms and applications. The Company was permitted to operate its licensed facilities and provide service to the public during the pendency of the hearing.

On June 6, 1997, the FCC issued an order staying the hearing proceeding for ten months in order to allow the Company to develop and consummate a plan of reorganization that provides for a change of control of the Company and a permissible transfer of the Company's FCC licenses. The order, which is based on an FCC doctrine known as *Second Thursday*, provides that if there is a change of control that meets the conditions of *Second Thursday*, the Company's FCC issues will be resolved by the transfer of the Company's FCC licenses to the new owners of the Company and the hearing will not proceed. The Company believes that a reorganization plan that provides for either a conversion of certain existing debt to equity, in which case existing MobileMedia shares will be substantially diluted or eliminated,

Footnotes to the Financial Statements (continued):

or a sale of the Company will result in a change of control. The Company filed its Joint Plan of Reorganization with the Bankruptcy Court on January 27, 1998, which provides for such a change of control. The Company believes that the Joint Plan of Reorganization will meet the conditions of *Second Thursday* if consummated, but there can be no assurance that the Joint Plan of Reorganization will be consummated. The Company plans to request that the FCC grant an extension of the order staying the hearing. In the event that the Company were unable to consummate a Plan of Reorganization that satisfies the conditions of *Second Thursday*, or should the FCC not grant an extension of the stay of the hearing, the Company would be required to proceed with the hearing, which, if adversely determined, could result in the loss of the Company's licenses or substantial monetary fines, or both. Such an outcome would have a material adverse effect on the Company's financial condition and results of operations.

OFFICE OF THE U.S. TRUSTEE - REGION 3
CONSOLIDATED STATEMENT OF CASH
RECEIPTS AND DISBURSEMENTS
For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

The Debtors have 52 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP basis Statement of Cash Flows for the reporting period which is attached. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

HEADNOTES:

These financial statements have not been prepared in accordance with GAAP because Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets, to be Disposed of" ("SFAS 121") has not been applied. Upon the application of SFAS 121, the Company expects to be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write-down will be material; however, it is not possible at this time to determine such amount. There may also be year end, December 31, 1997 audit adjustments and adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

**MobileMedia Corporation and Subsidiaries
Consolidated Statements Of Cash Flows
For The Months Ended January 31, 1998, December 31, 1997 and November 30, 1997
(Unaudited)
(in thousands)**

	<u>January 1998</u>	<u>December 1997</u>	<u>November 1997</u>
Operating Activities			
Net Loss	(\$14,650)	(\$13,501)	(\$17,537)
Adjustments To Reconcile Net Loss To Net Cash Provided By (Used In) Operating Activities:			
Depreciation And Amortization	16,773	17,926	17,788
Provision For Uncollectible Accounts And Returns	3,300	2,532	5,985
Undistributed Earnings Of Affiliate	23	176	9
Deferred Financings Fees, Net	304	554	554
Change In Operating Assets and Liabilities:			
Accounts Receivable	(960)	1,180	(6,526)
Inventory	155	637	1,349
Prepaid Expenses And Other Assets	(2,229)	(315)	(120)
Accounts Payable, Accrued Expenses and Other	965	(1,894)	(1,439)
Net Cash Provided By (Used In) Operating Activities	<u>3,681</u>	<u>7,294</u>	<u>63</u>
Investing Activities			
Construction And Capital Expenditures, Including Net Changes In Payer Assets	<u>(1,659)</u>	<u>(1,585)</u>	<u>(1,730)</u>
Net Cash Used In Investing Activities	<u>(1,659)</u>	<u>(1,585)</u>	<u>(1,730)</u>
Financing Activities			
Borrowings (Repayments) of DIP Credit Facility	<u>(7,000)</u>	<u>(2,000)</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities	<u>(7,000)</u>	<u>(2,000)</u>	<u>0</u>
Net Increase (Decrease) In Cash And Cash Equivalents	<u>(4,978)</u>	<u>3,708</u>	<u>(1,667)</u>
Cash And Cash Equivalents At Beginning Of Period	<u>10,907</u>	<u>7,198</u>	<u>8,866</u>
Cash And Cash Equivalents At End Of Period	<u><u>\$5,929</u></u>	<u><u>\$10,907</u></u>	<u><u>\$7,198</u></u>

See Accompanying Notes

OFFICE OF THE U.S. TRUSTEE - REGION 3
STATEMENT OF ACCOUNTS RECEIVABLE AGING AND
AGING OF POSTPETITION ACCOUNTS PAYABLE

For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

ACCOUNTS RECEIVABLE AGING	
\$ 30,788,032	0 - 30 days old
16,884,274	31 - 60 days old
8,590,271	61 - 90 days old
22,888,999	91+ days old
79,151,576	TOTAL TRADE ACCOUNTS RECEIVABLE
(29,917,758)	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS
49,233,818	TRADE ACCOUNTS RECEIVABLE (NET)
1,537,635	OTHER NON-TRADE RECEIVABLES
\$ 50,771,453	ACCOUNTS RECEIVABLE, NET

AGING OF POSTPETITION ACCOUNTS PAYABLE						
	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total	
ACCOUNTS PAYABLE	\$ 3,671,506	772,871	0	0	\$ 4,444,377	

**OFFICE OF THE U.S. TRUSTEE - REGION 3
STATEMENT OF OPERATIONS, TAXES,
INSURANCE AND PERSONNEL**

For the month ended January 31, 1998

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

STATUS OF POSTPETITION TAXES						
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	DELINQUENT TAXES	
FEDERAL						
WITHHOLDING	\$ 0	\$ 1,245,373	\$ 1,245,373	\$ 0	\$ 0	\$ 0
FICA-EMPLOYEE	0	1,951,212	1,951,212	0	0	0
FICA-EMPLOYER	91,344	1,480,736	1,413,324	158,756	0	0
UNEMPLOYMENT	1,051	81,394	66,192	16,253	0	0
INCOME	0	0	0	0	0	0
TOTAL FEDERAL TAXES	92,395	4,758,715	4,676,101	175,009	0	0
STATE AND LOCAL						
WITHHOLDING	0	203,333	203,333	0	0	0
SALES	908,563	380,489	397,830	891,222	0	0
UNEMPLOYMENT	5,386	52,771	5,386	52,771	0	0
REAL PROPERTY	4,156,435	240,000	200	4,396,235	0	0
OTHER	785,536	700,824	420,068	1,066,292	0	0
TOTAL STATE AND LOCAL	5,855,920	1,577,417	1,026,817	6,406,520	0	0
TOTAL TAXES	\$ 5,948,315	\$ 6,336,132	\$ 5,702,918	\$ 6,581,529	\$ 0	\$ 0

PAYMENTS TO INSIDERS AND PROFESSIONALS
For the month ended January 31, 1998

INSIDERS				
Payee Name	Position	Salary/Bonus/ Auto Allowance	Reimbursable Expenses	Total
Alvarez & Marsal Inc. - Joseph A. Bondi	Chairman - Restructuring	\$ 54,167	\$ 10,589	\$ 64,756
Boykin, Roberta	Assistant Corporate Counsel	8,800	-	8,800
Burdette, H. Stephen	Senior VP Corporate Development and Senior VP Operations	15,000	-	15,000
Cross, Andrew	Executive VP Sales and Marketing	17,500	1,347	18,847
Grawert, Ron	Chief Executive Officer	30,769	2,932	33,701
Gray, Patricia	Secretary/Acting General Counsel	13,085	2,041	15,126
Gross, Steven	Senior VP Strategic Planning	14,865	5,427	20,292
Hilson, Debra	Assistant Secretary	4,662	3,030	7,692
Hughes, Curtis	Assistant VP Mgmt. Information Systems	9,615	112	9,727
Pascucci, James	Treasurer	8,053	270	8,323
Panzella, Vito	VP / Controller	8,077	1,804	9,881
Witsaman, Mark	Senior VP and Chief Technology Officer	15,269	1,191	16,460
TOTAL PAYMENTS TO INSIDERS				\$ 228,605

PAYMENTS TO INSIDERS AND PROFESSIONALS (Continued)

For the month ended January 31, 1998

PROFESSIONALS				
Name and Relationship	Date of Court Approval	Invoices Received (1)	Invoices Paid	Holdback and Invoice Balances Due
1. Ernst & Young - Auditor, Tax and Financial Consultants to Debtor	1/30/97	\$ 203,852	\$ 246,220	\$ 263,186
2. Latham & Watkins - Counsel to Debtor	1/30/97	47,534	-	73,307
3. Alvarez & Marsal Inc. - Restructuring Consultant to Debtor (2)	1/30/97	203,322	175,056	307,184
4. Sidley & Austin - Bankruptcy Counsel to Debtor	1/30/97	358,853	-	653,566
5. Young, Conway, Sturgate & Taylor - Delaware Counsel to Debtor	1/30/97	10,609	18,332	10,609
6. Wiley, Rein & Fielding - FCC Counsel to Debtor	1/30/97	49,982	38,020	66,185
7. Koteen & Naftalin - FCC Counsel to Debtor	6/11/97	-	-	3,945
8. Houlihan, Lokey, Howard & Zukin - Advisors to the Creditors' Committee	6/04/97	171,141	69,370	156,142
9. Jones, Day, Reavis & Pogue - Counsel to the Creditors' Committee	4/03/97	64,844	-	71,152
10. Morris, Nichols, Arsht & Tunnell - Delaware Counsel to the Creditors' Committee	4/03/97	-	-	2,293
11. Paul, Weiss, Rifkind, Wharton & Garrison - FCC Counsel to the Creditors' Committee	4/25/97	-	-	1,976
12. The Blackstone Group LP - Financial Advisors to Debtor	7/10/97	375,000	-	375,000
13. Gerry, Friend & Saponov, LLP. - Counsel to Debtor	10/27/97	28,004	80,422	152,298
TOTAL		\$ 1,513,141	\$ 627,420	\$ 2,136,843

(1) Excludes invoices for fees and expenses through January 31, 1998 that were received by the Debtors subsequent to January 31, 1998.

(2) Includes fees and expenses for David R. Gibson, Senior Vice President and Chief Financial Officer (effective June 24, 1997).

ADEQUATE PROTECTION PAYMENTS

For the month ended January 31, 1998

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
The Chase Manhattan Bank - (Interest)	\$ 4,742,784	\$ 4,742,784*	\$ 0

* Payment made on 2/1/98.

QUESTIONNAIRE	YES	NO
For the month ended January 31, 1998		
1. Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2. Have any funds been disbursed from any account other than a debtor in possession account?		No
3. Are any postpetition receivables (accounts, notes, or loans) due from related parties?		No
4. Have any payments been made of prepetition liabilities this reporting period?	Yes	
5. Have any postpetition losses been received by the debtor from any party?	Yes	
6. Are any postpetition payroll taxes past due?		No
7. Are any postpetition state or federal income taxes past due?		No
8. Are any postpetition real estate taxes past due?		No
9. Are any postpetition taxes past due?		No
10. Are any amounts owed to postpetition creditors past due?		No
11. Have any prepetition taxes been paid during the reporting period?	Yes	
12. Are any wage payments past due?		No

If the answer to any of the above questions is "YES", provide a detailed explanation of each item.

Item 4 & 11. The Court has authorized the Debtors to pay certain pre-petition creditors. These permitted pre-petition payments include (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

Item 5. During the month of February 1997, the Debtors drew down \$45 million of borrowings under the DIP facility with The Chase Manhattan Bank, as agent for the lenders thereunder. During the months of March and April 1997, the Debtors repaid \$25 million and \$5 million, respectively, of borrowings under the DIP facility. The Debtors drew down an additional \$2 million under the DIP facility during the month of August and repaid \$5 million, \$2 million and \$7 million of borrowings under the DIP facility during the months of October 1997, December 1997 and January 1998 respectively.

INSURANCE For the month ended January 31, 1998
There were no changes in insurance coverage for the reporting period.

PERSONNEL For the month ended January 31, 1998		
	Full Time	Part Time
1. Total number of employees at beginning of period	3,455	43
2. Number of employees hired during the period	11	5
3. Number of employees terminated or resigned during the period	38	8
4. Total number of employees on payroll at end of period	3,428	40