

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re Blitz U.S.A., Inc. et al.  
Debtor

Case No. 11-13603 (PJW)  
Reporting Period: November 1 - November 30, 2013

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.


Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a		X	
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4		X	
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4		X	
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

  
Signature of Debtor

1/28/2014  
Date

  
Signature of Authorized Individual\*

1/28/2014  
Date

Rocky Flick  
Printed Name of Authorized Individual

Director  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.



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Notes to the Monthly Operating Report

General:

The following is the list of debtors that filed on November 9, 2011 and are included in the accompanying schedules (the "Debtors")

<u>Name</u>	<u>Case No.</u>
Blitz Acquisition Holdings, Inc.	11-13602
Blitz U.S.A., Inc.	11-13603
MiamiOK LLC*	11-13604
LAM 2011 Holdings, LLC	11-13605
Blitz Acquisition, LLC	11-13606
Blitz RE Holdings, LLC	11-13607

\*The assets of F3 Brands LLC were sold in April 2012 and the estate was renamed MiamiOK LLC

Notes to MOR 1-a

Period beginning and ending cash balances may not necessarily match those reported in bank statements due to outstanding checks and deposits in transit (float)

Cash disbursement journals for individual bank accounts will be provided upon request

The Debtors have numerous bank statements and bank reconciliations, which will be provided upon request

Notes to MOR-4

The Company is current on all post-petition taxes

The Company will provide a complete account of accounts payable aging by vendor upon request

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MOR I - Schedule of Cash Receipts and Disbursements

	October-13			Cumulative*		
	Blitz	F3	Consolidated*	Blitz	F3	Consolidated*
<b>Cash Receipts</b>						
Collections	155	-	155	60,930,751	2,517,443	63,448,194
<b>Total Cash Receipts</b>	<b>\$ 155</b>	<b>\$ -</b>	<b>\$ 155</b>	<b>\$ 60,930,751</b>	<b>\$ 2,517,443</b>	<b>\$ 63,448,194</b>
<b>Disbursements</b>						
Payroll & Taxes	2,789	-	2,789	4,980,164	1,672,581	6,652,745
Benefits	937	-	937	2,455,020	348,008	2,803,028
Raw Material	-	-	-	6,637,939	3,443,044	10,080,983
All Other	24,149	-	24,149	7,517,812	1,831,844	9,349,656
Note Payments	-	-	-	25,443,762	-	25,443,762
Professional Fees	-	-	-	10,341,112	25,000	10,366,112
Capital Purchases	-	-	-	373,328	30,284	403,612
<b>Total Disbursements</b>	<b>\$ 27,875</b>	<b>\$ -</b>	<b>\$ 27,875</b>	<b>\$ 57,749,136</b>	<b>\$ 7,350,762</b>	<b>\$ 65,099,898</b>
Transfers In/(Out) **	-	-	-	(4,074,562)	4,852,864	778,302
<b>Change in Cash</b>	<b>\$ (27,720)</b>	<b>\$ -</b>	<b>\$ (27,720)</b>	<b>\$ (892,947)</b>	<b>\$ 19,545</b>	<b>\$ (873,402)</b>

\* There were no receipts or disbursement of Blitz RE Holdings, LLC; Blitz Acquisition, LLC; Blitz Acquisition Holdings, Inc.; and LAM 2011 Holdings, LLC.

\*\* Cumulative Transfers includes healthcare escrow in the amount of \$778,302 received in March 2013 initially established from the sale proceeds of Blitz USA

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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID**

This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Asked	Payor	Check / Wire		Amount Paid		Petition-To-Date	
				Number	Date	Fees	Expenses	Fees	Expenses
Capstone Financial Group, Inc <sup>(1)</sup>								0.00	744.62
Frantz Ward LLP								71,394.50	21,783.09
FTI Consulting <sup>(2)</sup>								1,034,503.60	8,573.61
Kurtzman Carson Consultants LLC <sup>(3)</sup>								234,942.40	190,979.76
Lowenstein Sandler, PC <sup>(2)</sup>								1,214,308.91	28,788.51
Richard's Layton & Finger <sup>(2)</sup>								3,677,749.16	163,081.09
SSG Capital Advisors, LLC <sup>(4)</sup>								30,000.00	30,000.00
Womble, Carlyle, Sandridge And Rice, LLP <sup>(2)</sup>								800,070.35	10,938.91
Zolfo Cooper, LLC <sup>(3)</sup>								1,920,356.06	34,911.84

**Note:**

- (1) Capstone was paid \$422,586.27 in fees from gross proceeds from the sale of F3 Brands in April 2012.
- (2) In the months of October and November 2012, \$1.9MM was disbursed to professionals (Richard's Layton & Finger, FTI Consulting, Lowenstein Sandler, Womble Carlyle Sandridge and Rice, SSG Capital, and Zolfo Cooper) from an escrow account established in connection with the sale of Blitz USA.
- (3) Petition-To-Date includes \$16,794.80 paid out of the retainer account.

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**MOR 2 - STATEMENT OF OPERATIONS**  
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expense when they are incurred, regardless of when cash is actually received or paid.

	Bill	FS	RE Holdings	Consolidated
<b>REVENUES:</b>				
Gross Revenues				
Retainers and Allowances	155			
Net Profit (Loss) Before Reorganization Items	155			
<b>COST OF GOODS SOLD</b>				
Inventory				
Cost of Goods Sold	719			
Less: Ending Inventory	(564)			
Gross Profit	2,789			
<b>OPERATING EXPENSES:</b>				
Administrative Labor				
Vacation				
Payroll Taxes	937			
Profit Incentive				
Life Insurance	105			
Office Supplies	22			
Travel	210			
Airfare/Flight Services				
Data Processing				
Cell				
Employee Incentives				
Wellness Program Expense				
Training				
Donations	582			
Rent				
Consulting Services / Board Fees	17,000			
Legal Services				
Accounting Services	447			
Research & Development				
Software				
Travel (Other than Payroll)				
Medical Insurance				
Health Insurance				
Professional Fees				
Workers Comp Insurance				
Dues & Subscriptions				
Bad Debts				
Group Insurance				
Travel				
Meals & Entertainment				
Amount Of Goodwill & Non Comp				
Corp Advertising				
Print/Advertising				
National Trade Show Expense				
Sales Commissions				
Securities				
<b>OTHER INCOME AND EXPENSE:</b>				
Rent Income				
Interest Expense	568			
Other Expense (attach schedule)				
Net Profit (Loss) Before Reorganization Items	(26,095)			
<b>REORGANIZATION ITEMS:</b>				
Professional Fees				
U. S. Trustee Quarterly Fees				
Interest Earned on Accumulated Credit from Chapter 11				
Gain (Loss) from Sale of Equipment	1,625			
Restructuring Fees - Debtor	1,625			
Total Reorganization Expenses				
Income Taxes				
Net Profit (Loss)				

\*Cumulative amount includes figures for the period of November 1 - November 30, 2011.

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**MOR 3 - BALANCE SHEET**  
For the Month Ending November 30, 2013

	Blitz	RE Holdings	Consolidated
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash	85,842	-	85,842
Accounts Receivable	-	-	-
Due From Parent	201,229	-	201,229
Due From RE Holdings	635,415	-	635,415
Due From Blitz / F3	-	-	-
Investment In Sub	-	-	-
Inventory:			
Raw Material	-	-	-
Finished Goods	-	-	-
Reserve For Obsolete Inv.	-	-	-
Total Inventory	-	-	-
Prepaid Expenses	451	-	451
<b>Total Current Assets</b>	<b>922,937</b>	<b>-</b>	<b>922,937</b>
Fixed Assets	-	-	-
P/P Equipment	-	-	-
Less Res. For Depreciation	-	-	-
Land	-	-	-
Buildings	-	-	-
<b>Net Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Financing Fees	-	-	-
Goodwill	-	-	-
Accumulated Amortization	-	-	-
<b>Total Assets</b>	<b>922,937</b>	<b>-</b>	<b>922,937</b>
<b>Liabilities:</b>			
<b>Pre-Petition Liabilities</b>			
Accounts Payable - Pre-Petition	4,358,255	-	4,358,255
Current Portion Of Lt Debt	-	-	-
Working Capital N/P	-	-	-
Advancing Term Loan - A	-	-	-
Advancing Term Loan - B	-	-	-
Np-Blitz Acq Llc (Rph)	2,529,188	-	2,529,188
Np-Blitz Acq Llc (Lam)	1,500,000	-	1,500,000
Term Loan - Long Term	-	-	-
Due To RE Holdings - Pre Petition	264,444	-	264,444
Due To Parent - Pre-Petition	25,419,666	2,561,761	27,981,427
<b>Total Pre-Petition Liabilities</b>	<b>34,071,553</b>	<b>2,561,761</b>	<b>36,633,314</b>
<b>Post-Petition Liabilities</b>			
Due to Blitz / F3	-	370,971	370,971
Accounts Payable - Post-Petition	-	-	-
Accrued Purchases	-	-	-
Accrued Liabilities	4,875,279	23,668	4,898,947
Accrued Restructuring Costs	1,039,172	-	1,039,172
Due to Parent - Post Petition	-	-	-
<b>Total Post-Petition Liabilities</b>	<b>5,914,451</b>	<b>394,640</b>	<b>6,309,091</b>
<b>Total Liabilities</b>	<b>39,986,004</b>	<b>2,956,401</b>	<b>42,942,405</b>
<b>Equity:</b>			
Equity Blitz Acquisition, Llc	(39,015,593)	(3,113,598)	(42,129,191)
Current Year Profit	(47,474)	157,197	109,724
<b>Total Equity</b>	<b>(39,063,067)</b>	<b>(2,956,401)</b>	<b>(42,019,468)</b>
<b>Total Liabilities &amp; Equity</b>	<b>922,937</b>	<b>(0)</b>	<b>922,937</b>

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**MOR 4 - ACCOUNTS PAYABLE AGING**

<b>Accounts Payable Aging</b>	<b>Blitz USA</b>
Current	-
31 - 60 days old	-
61 - 90 days old	-
91+ days old	4,358,225
<b>Total Accounts Payable</b>	<b>4,358,225</b>

Freight Costs Not Yet Invoiced

-

**Total**

4,358,225

*Balance Sheet Reconciliation*

Accounts Payable - Pre-Petition

4,358,255

Accounts Payable - Post-Petition

-

Total Accounts Payable

4,358,255

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**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

<b>Accounts Receivable Reconciliation</b>		<b>Blitz USA</b>
Total Accounts Receivable at the beginning of the reporting period		-
+ Amounts billed during the period		-
- Amounts collected during the period		-
- Customer Deduction		-
- Bad Debt Expense		-
Total Accounts Receivable at the end of the reporting period		-
<b>Accounts Receivable Aging*</b>		<b>Blitz USA</b>
Current		-
0 - 15 days old		-
16 - 30 days old		-
31 - 45 days old		-
46+ days old		-
Total Accounts Receivable		-
Amount considered uncollectible (Bad Debt)		-
Accounts Receivable (Net)		-

\*Accounts Receivable Aging is calculated on a due date basis.

**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month</b>	<b>Yes</b>	<b>No</b>
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		x
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		x
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	x	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	x	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3. <sup>(1)</sup>		x