

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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

Case No. 11-13603 (PJW)
Reporting Period: October 1 - October 31, 2013

MONTHLY OPERATING REPORT

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

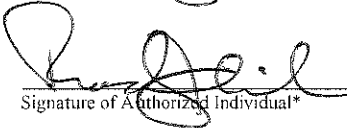
Submit copy of report to any official committee appointed in the case.

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.



In re *Blitz U.S.A., Inc. et al.*
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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*
Cash Receipts						
Collections	584	-	584	60,930,596	2,517,443	63,448,039
Total Cash Receipts	\$ 584	\$ -	\$ 584	\$ 60,930,596	\$ 2,517,443	\$ 63,448,039
Disbursements						
Payroll & Taxes	2,789	-	2,789	4,977,375	1,672,581	6,649,956
Benefits	937	-	937	2,454,083	348,008	2,802,091
Raw Material	-	-	-	6,637,939	3,443,014	10,080,983
All Other	16,609	-	16,609	7,493,663	1,831,844	9,325,507
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
Total Disbursements	\$ 20,335	\$ -	\$ 20,335	\$ 57,721,261	\$ 7,350,762	\$ 65,072,023
Transfers In/(Out) **	-	-	-	(4,074,562)	4,852,864	778,302
Change in Cash	\$ (19,751)	\$ -	\$ (19,751)	\$ (865,227)	\$ 19,545	\$ (845,682)

* There were no receipts or disbursement of Blitz RE Holdings, LLC; Blitz Acquisition, LLC; Blitz Acquisition Holdings, Inc.; and IAM 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	Paid	Check / Wire Number	Date	Amount Paid	Expenses	Fees	Petition-To-Date	Expenses
Capstone Financial Group, Inc. ⁽¹⁾								0.00	744.62	
Frantz Ward LLP						71,394.50		71,394.50	21,783.09	
FTI Consulting ⁽²⁾						1,034,503.60		1,034,503.60	8,573.61	
Kurtzman Carson Consultants LLC ⁽³⁾						234,942.40		234,942.40	190,979.76	
Lowenstein Sandler, PC ⁽³⁾						1,214,308.91		1,214,308.91	28,788.51	
Richards Layton & Finger ⁽³⁾						3,677,749.16		3,677,749.16	163,081.09	
SSG Capital Advisors, LLC ⁽³⁾						30,000.00		30,000.00	30,000.00	
Womble, Carlyle, Sandridge And Rice, LLP ⁽³⁾						800,070.35		800,070.35	10,938.91	
Zofof Cooper, LLC ⁽³⁾						1,920,356.06		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 (Richards Layton & Finger, FTI Consulting, Lowenstein Sandler, Womble Carlyle Sandridge and Rice, SSG Capital, and Zofof 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.

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

Case No. 11-13603 (PJV)
Reporting Period: October 1 - October 31, 2013

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 expenses when they are incurred, regardless of when cash is actually received or paid.

	Bitiz	October 1 - 31	October 1 - 31	October 1 - 31	October 1 - 31	October 1 - 31	October 1 - 31
			RE	RE	RE	RE	RE
			Headings	Headings	Headings	Headings	Headings
REVENUES							
Gross Revenues	\$ 584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Returns and Allowances	\$ 584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COST OF GOODS SOLD							
Beginning Inventory							
Add: Purchases							
Add: Cost of Labor							
Add: Other Costs (attach schedule)							
Less: Ending Inventory							
Cost of Goods Sold	\$ 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Profit	(216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES							
Compensative Labor	2,789						
Travel	937						
401 K Retirement Plan							
Bonus Incentive							
Life Insurance							
Office Supplies	164						
Postage	33						
Admin Freight Services	605						
Data Processing							
Cell							
Employee Incentives							
Wellness Program Expense							
Training							
Donations	535						
Telephone							
Rent	10,256						
Consulting Services/Board Fees							
Accounting Services							
Research & Development	469						
Certification Testing							
Leases/Other Than Payroll							
Depreciation/Office Equipment							
Industrial Insurance							
Prod Liability/Recall-Retention Exp.							
Workers Comp Insurance							
Fees & Subscriptions							
Bad Debts							
Group Insurance	3,187						
Travel	11						
Meals & Entertainment							
Amount of Contract & Non-Comp							
Group Advertising							
Print Advertising							
National Trade Show Expense							
Sales Commission							
Revolves							
GST Tax							
OTHER INCOME AND EXPENSES							
Net Income	564						
Interest Expense							
Other Expense (attach schedule)							
Net Profit (Loss) Before Reorganization Items	(19,751)						
REORGANIZATION ITEMS							
Professional Fees							
U.S. Trustee Quarterly Fees							
Interest Earned on Accumulated Cash from Chapter 11							
Gain (Loss) from Sale of Equipment							
Reorganizing Fees - Debtor							
Reorganizing Expenses							
Net Profit (Loss)	\$ (19,751)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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As of October 31, 2013

MOR 3 - BALANCE SHEET
For the Month Ending August 31, 2013

	Blitz	RE Holdings	Consolidated
<i>Assets:</i>			
<i>Current Assets:</i>			
Cash	113,564	-	113,564
Accounts Receivable	-	-	-
Due From Parent	201,229	-	201,229
Due From RE Holdings	635,415	-	635,415
Due From Blitz / F3	-	-	-
Investment In Sub	-	-	-
Inventories:			
Raw Material	-	-	-
Finished Goods	-	-	-
Reserve For Obsolete Inv.	-	-	-
Total Inventory	-	-	-
Prepaid Expenses	451	-	451
Total Current Assets	950,659	-	950,659
<i>Fixed Assets</i>			
P/P Equipment	-	-	-
Less Res. For Depreciation	-	-	-
Land	-	-	-
Buildings	-	-	-
Net Fixed Assets	-	-	-
Deferred Financing Fees	-	-	-
Goodwill	-	-	-
Accumulated Amortization	-	-	-
Total Assets	950,659	-	950,659
<i>Liabilities:</i>			
<i>Pre-Petition Liabilities</i>			
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 (Lan)	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
Total Pre-Petition Liabilities	34,071,553	2,561,761	36,633,314
<i>Post-Petition Liabilities</i>			
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	-	-	-
Total Post-Petition Liabilities	5,914,451	394,640	6,309,091
Total Liabilities	39,986,004	2,956,401	42,942,405
<i>Equity:</i>			
Equity Blitz Acquisition, Llc	(39,015,593)	(3,113,598)	(42,129,191)
Current Year Profit	(19,752)	157,197	137,446
Total Equity	(39,035,345)	(2,956,401)	(41,991,746)
Total Liabilities & Equity	950,659	(0)	950,659

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MOR 4 - ACCOUNTS PAYABLE AGING

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

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

Accounts Receivable Reconciliation	Blitz USA
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	-

Accounts Receivable Aging*	Blitz USA
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

Must be completed each month	Yes	No
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. ⁽¹⁾		x