

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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

Case No. 11-13603 (PJW)
Reporting Period: June 1 - June 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.

Rocky Flick by Alex Verba
Signature of Debtor

7/12/13
Date

Signature of Authorized Individual*

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 1 - Schedule of Cash Receipts and Disbursements

	<u>June-13</u>			<u>Cumulative*</u>		
	<u>Blitz</u>	<u>F3</u>	<u>Consolidated*</u>	<u>Blitz</u>	<u>F3</u>	<u>Consolidated*</u>
Cash Receipts						
Collections	1,312	-	1,312	60,921,551	2,517,443	63,438,994
Total Cash Receipts	\$ 1,312	\$ -	\$ 1,312	\$ 60,921,551	\$ 2,517,443	\$ 63,438,994
Disbursements						
Payroll & Taxes	3,745	-	3,745	4,962,481	1,672,581	6,635,062
Benefits	2,839	-	2,839	2,446,043	348,008	2,794,051
Raw Material	-	-	-	6,637,939	3,443,044	10,080,983
All Other	28,362	-	28,362	7,438,418	1,831,844	9,270,263
Note Payments	-	-	-	25,443,762	-	25,443,762
Professional Fees	117,372	-	117,372	10,308,483	25,000	10,333,483
Capital Purchases	-	-	-	373,328	30,284	403,612
Total Disbursements	\$ 152,318	\$ -	\$ 152,318	\$ 57,610,453	\$ 7,350,762	\$ 64,961,215
Transfers In/(Out) **	-	-	-	(4,074,562)	4,852,864	778,302
Change in Cash	\$ (151,006)	\$ -	\$ (151,006)	\$ (763,465)	\$ 19,545	\$ (743,919)

* 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 ⁽¹⁾								0.00	744.62
Frantz Ward LLP								71,394.50	21,783.09
FTI Consulting ⁽²⁾								1,010,000.00	8,573.61
Kurtzman Carson Consultants LLC ⁽³⁾								234,942.40	190,979.76
Lowenstein Sandler, PC ⁽²⁾								1,214,308.91	28,788.51
Richards Layton & Finger ⁽²⁾								3,677,749.16	163,081.09
SSG Capital Advisors, LLC ⁽²⁾								30,000.00	30,000.00
Womble, Carlyle, Sandridge And Rice, LLP ⁽²⁾	March-13	94,055.60	Blitz USA	PMT00066588	6/20/2013	74,447.20	996.60	800,070.35	10,938.91
Zolfo Cooper, LLC ⁽²⁾	April-13	52,309.52	Blitz USA	560358	6/3/2013	41,526.80	401.02	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 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 expenses when they are incurred, regardless of when cash is actually received or paid.

	June-13				Cumulative			
	Blitz	F3	RE Holdings	Consolidated	Blitz	F3	RE Holdings	Consolidated
REVENUES								
Gross Revenues	\$ -	\$ -	\$ -	\$ -	\$ 40,478,860	\$ 11,058,885	\$ -	\$ 51,537,745
Less: Returns and Allowances	1,312	-	-	1,312	(2,992,234)	(1,014,083)	-	(4,006,317)
Net Revenue	\$ 1,312	\$ -	\$ -	\$ 1,312	\$ 37,486,626	\$ 10,044,802	\$ -	\$ 47,531,428
COST OF GOODS SOLD								
Beginning Inventory								
Add: Purchases								
Add: Cost of Labor								
Add: Other Costs (attach schedule)								
Less: Ending Inventory								
Cost of Goods Sold	501	-	-	501	17,951,489	7,986,612	104,430	26,042,531
Gross Profit	811	-	-	811	19,535,137	2,058,190	(104,430)	21,488,897
OPERATING EXPENSES								
Administrative Labor	2,789	-	-	2,789	1,684,536	599,192	-	2,283,728
Vacation	-	-	-	-	110,388	36,559	-	146,947
Payroll Taxes	957	-	-	957	242,061	62,947	3,097	308,105
401 K Retirement Plan	-	-	-	-	134,387	49,155	-	183,540
Bonus Incentive	-	-	-	-	1,364,529	128,255	-	1,492,784
Life Insurance	-	-	-	-	5,705	-	-	5,705
Office Supplies	6	-	-	6	16,270	7,229	-	23,499
Postage	166	-	-	166	8,097	3,518	-	11,615
Admin Freight Services	-	-	-	-	1,731	384	-	2,115
Data Processing	-	-	-	-	172,950	53,738	-	226,688
Edi	-	-	-	-	10,980	2,020	-	13,000
Employee Incentives	-	-	-	-	2,711	2,703	-	5,414
Wellness Program Expense	-	-	-	-	535	1,075	-	1,610
Training	-	-	-	-	47,218	4,571	-	51,789
Donations	-	-	-	-	110,236	-	-	110,236
Telephone	706	-	-	706	142,682	11,064	-	153,746
Rent	-	-	-	-	25,000	-	-	25,000
Consulting Services	5,350	-	-	5,350	89,432	35,218	-	124,650
Legal Services	-	-	-	-	105,437	5,075	-	110,512
Accounting Services	447	-	-	447	122,877	-	-	122,877
Research & Development	-	-	-	-	82,450	48,957	-	131,407
Certification Testing	-	-	-	-	28,377	7,312	-	35,689
Taxes Other Than Payroll	20,000	-	-	20,000	106,565	31,310	23,649	161,524
Depreciation-Office Equipment	-	-	-	-	310,295	7,431	-	317,726
Industrial Insurance	-	-	-	-	2,423,031	55,739	-	2,478,770
Prod Liability Self-Retention Exp	-	-	-	-	1,389	-	-	1,389
Workers Comp Insurance	-	-	-	-	(7,738)	1,673	-	(6,065)
Dues & Subscriptions	-	-	-	-	163,095	7,051	-	170,146
Bad Debts	-	-	-	-	1,720,721	3,097	-	1,723,818
Group Insurance	2,839	-	-	2,839	423,145	118,383	-	541,528
Travel	26	-	-	26	94,958	52,165	-	147,123
Meals & Entertainment	-	-	-	-	16,735	9,432	-	26,167
Amort. Of Goodwill & Non Comp	-	-	-	-	2,575,705	-	-	2,575,705
Coop Advertising	-	-	-	-	800,828	397,837	12,693	1,198,665
Print/Advertising	-	-	-	-	5,074	53,723	-	58,797
National Trade Show Expense	-	-	-	-	-	17,025	-	17,025
Sales Commissions	-	-	-	-	236,257	122,404	-	358,661
Royalties	-	-	-	-	7,718	47,368	-	55,086
GST Tax	-	-	-	-	-	1,383	-	1,383
OTHER INCOME AND EXPENSES								
Rent Income	-	-	-	-	-	-	(312,038)	(312,038)
Interest Expense	1,161	-	-	1,161	966,893	10,050	32,512	1,009,455
Other Expense (attach schedule)	-	-	-	-	124,988	-	-	124,988
Net Profit (Loss) Before Reorganization Items	(33,636)	-	-	(33,636)	5,056,889	63,149	135,657	5,255,695
REORGANIZATION ITEMS								
Professional Fees	-	-	-	-	-	-	-	-
U. S. Trustee Quarterly Fees	-	-	-	-	-	9,425	-	9,425
Interest Earned on Accumulated Cash from Chapter 11	-	-	-	-	-	-	-	-
Gain (Loss) from Sale of Equipment	-	-	-	-	19,058,974	17,487	-	19,076,461
Restructuring Fees - Debtor	117,372	-	-	117,372	15,175,944	-	-	15,175,944
Total Reorganization Expenses	117,372	-	-	117,372	34,234,918	26,912	-	34,261,830
Income Taxes	-	-	-	-	18,500	-	-	18,500
Net Profit (Loss)	\$ (151,008)	\$ -	\$ -	\$ (151,008)	\$ (29,196,529)	\$ 36,237	\$ 135,657	\$ (29,024,635)

*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 June 30, 2013

	Blitz	RE Holdings	Consolidated
Assets:			
Current Assets:			
Cash	215,328	-	215,328
Accounts Receivable	-	-	-
Due From Parent	201,229	-	201,229
Due From Blitz / F3	-	-	-
Investment In Sub	-	-	-
Inventory:			
Raw Material	-	-	-
Finished Goods	-	-	-
Reserve For Obsolete Inv.	-	-	-
Total Inventory	-	-	-
Prepaid Expenses	451	-	451
Total Current Assets	417,008	-	417,008
Fixed Assets	-	-	-
P/P Equipment	-	-	-
Less Res. For Depreciation	-	-	-
Land	-	-	-
Buildings	-	-	-
Net Fixed Assets	-	-	-
Deferred Financing Fees	-	-	-
Goodwill	-	-	-
Accumulated Amortization	-	-	-
Total Assets	417,008	-	417,008
Liabilities:			
Pre-Petition Liabilities			
Accounts Payable - Pre-Petition ⁽¹⁾	4,358,225	-	4,358,225
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
Total Pre-Petition Liabilities	34,071,523	2,561,761	36,633,284
Post-Petition Liabilities			
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	733,240	-	733,240
Due to RE Holdings - Post Petition	(635,415)	-	(635,415)
Due to Parent - Post Petition	-	-	-
Total Post-Petition Liabilities	4,973,104	394,640	5,367,743
Total Liabilities	39,044,627	2,956,401	42,001,027
Equity:			
Equity Blitz Acquisition, Llc	(32,483,428)	(3,113,598)	(35,597,026)
Current Year Profit	(6,144,191)	157,197	(5,986,994)
Total Equity	(38,627,619)	(2,956,401)	(41,584,020)
Total Liabilities & Equity	417,008	(0)	417,008

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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

4,358,225

Accounts Payable - Post-Petition

-

Total Accounts Payable

4,358,225

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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