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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **LOS ANGELES DIVISION**

11 In re	}	CASE NO.: 2:16-bk-25072-BB
12		CHAPTER 11
13 Critical Car Care, Inc.,		SECOND MOTION FOR USE OF CASH
14 Debtor.		COLLATERAL ON AN INTERIM AND
15		FINAL BASIS; MEMORANDUM OF
16		POINTS AND AUTHORITIES
17		Date : January 25, 2017
		Time : 11:00 a.m.
		Place : Courtroom 1539
		Petition filed November 15, 2016

18 **TO THE HONORABLE SHERI BLUEBOND, BANKRUPTCY JUDGE:**

19 **COMES NOW** the Debtor with its Motion.

20 The Debtor operates two collision repair shops in the Antelope Valley, one
21 focusing on car and truck collision repair, the second on RV and boat collision repair.
22 Its work includes auto body work, painting, detailing, frame and suspension repair.
23 The Debtor's work is from individuals company fleets.

24 The Debtor filed this case for a number of reasons including the following:

- 25 • Competition is heavy in the Antelope Valley. Insurers push prices
26 downward through their preferred collision repair shops (which
27 work closely with insurers). As the Debtor is not a preferred repair
28 shop, it is limited in the amount of business it can obtain.

- 1 • Over time the Debtor's revenues had not kept pace with expenses
2 and the market in the Antelope Valley.
- 3 • More recently, the Debtor has not had a focused marketing
4 approach to attract business.
- 5 • As a result of all of the above, the Debtor had been losing money.
- 6 • The Debtor had borrowed monies from an SBA lender. The SBA
7 is now seeking full payment, which the Debtor cannot pay.

8 The Debtor intends to reorganize and propose a reorganizing plan. Its
9 prospects are good for various reasons including the following:

- 10 • The Debtor is mounting a campaign to obtain new business. The
11 Debtor will employ some unconventional marketing methods.
- 12 • The Debtor has reduced some expenses including staff with more
13 cuts to follow. Prepetition the Debtor closed its detailing shop.
- 14 • The Debtor will be considering whether and how to limit the types
15 of cars it repairs thereby lowering some expenses.
- 16 • The Debtor is looking to expand its RV repair services possibly to
17 include the sale of new RV units.
- 18 • The Department of Motorized Vehicles is closing its two DMV
19 office locations in the Antelope Valley and opening a combined
20 location down the street from the Debtor's Lancaster shop.

21 Security Interests. One financing statement recorded in 2007 (with a 2012
22 continuation statement) reflects a loan by an SBA lender taking a security interest in
23 personal property including monies. A second financing statement, in favor of
24 American Security Bank names the Debtor as the account debtor, specifies certain
25 machinery and their proceeds as collateral. This financing statement is meant to
26 provide security for a line of credit on which no monies are presently owed.

27 The Debtor assumes for purposes of this Motion only that the SBA holds a
28 security interest in cash collateral.

1 The value of the Debtor's assets subject to the one SBA UCC 1 have not
2 declined in value post-petition. The Debtor is offering to pay \$500 monthly to the
3 SBA as an adequate protection payment pending plan confirmation.

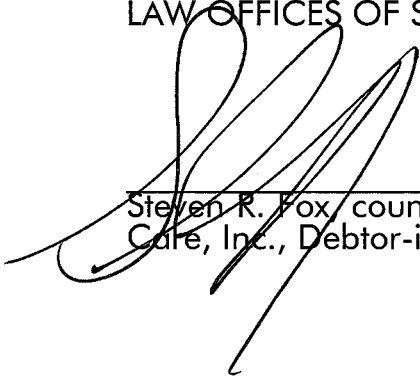
4 The factual and legal bases for this Motion are contained in the attached
5 Memorandum of Points & Authorities, declaration and exhibits.

6 The Debtor requests that the Court take the following actions:

- 7 1. Authorize the Debtor to use cash collateral on a final basis in the
8 ordinary course of business through plan confirmation or,
9 alternatively, authorize the Debtor to use cash collateral on an
10 interim basis pursuant to the terms of the attached projections
11 through the period indicated there together with the variance and
12 rollover provisions and application of any excess revenues to costs
13 of goods sold;
- 14 2. Authorize the Debtor to pay an adequate protection payment of
15 \$500 monthly to the SBA;
- 16 4. Grant to the SBA a replacement lien in collateral of the estate as
17 discussed below; and
- 18 5. Such further relief as the Court deems appropriate and consistent
19 with this Motion.

20 Dated: January 4, 2017

LAW OFFICES OF STEVEN R. FOX

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24 Steven R. Fox, counsel for Critical Car
25 Care, Inc., Debtor-in-Possession
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**MEMORANDUM OF POINTS AND AUTHORITIES IN
SUPPORT OF MOTION TO USE CASH COLLATERAL
ON AN INTERIM AND FINAL BASIS**

1. This case was commenced on November 15, 2016, by the filing of a voluntary petition for relief under Chapter 11 of the U. S. Bankruptcy Code. Since then, the Debtor has been, and continues to be, a Debtor-in-Possession. No examiner or trustee has been appointed and no official committee of creditors has been established.

I.

Introduction and Summary of Relief Requested

2. The Debtor owns and operates two collision repair centers in Lancaster and Quartz Hill, California, (the Antelope Valley or the AV) employs 14 employees and generates annual gross revenues of \$1.0 to \$1.5 million range.

3. The Debtor had financial and business difficulties which led to this chapter 11 filing. The Debtor is beginning its work to reorganize.

4. The Small Business Administration ("SBA") asserts a security interest in estate monies For purposes here only, the Debtor assumes its interest is properly perfected though that may not be the case.

5. The Debtor seeks authority to use cash collateral on an interim basis under the pro forma ("budget") attached as Exhibit "A," and incorporated herein.

6. LBR 4001-2 sets forth various provisions which, if they are sought, must be identified. None of those provisions are found in this Motion.

7. For the reasons discussed below, the SBA's interest is adequately protected.

II.

The Debtor, Its Business, and the Financial Difficulties.

8. In the AV, the Debtor repairs cars, trucks, RV vehicles and boats, typically after they have been involved in accidents. With respect to RV units, the Debtor will repair accident damage, tire damage, interior damage, plumbing, awnings, electrical and will perform warranty work.

- 1 9. With respect to cars and trucks, the Debtor will repair damage for collisions.
- 2 10. A portion of the Debtor's regular gross revenues comes from regular
3 customers who operate fleets of vehicles and who have determined that the
4 Debtor's shops are where their vehicles will be repaired. The Debtor
5 repairs police vehicles, school buses, ambulances and is painting interior
6 panels for subways cars. Recently, the Debtor painted the 3 large model
7 airplanes at the entrance to the Northrop facility in the Antelope Valley and
8 another military contractor has asked the Debtor to do the same with its
9 large model craft which adorn the entrance to its AV facility.
- 10 11. Its recent gross revenues have been as follows:
- | | |
|---------|---|
| 11 2014 | \$1,176,865 (per line 1 C federal tax return) |
| 12 2015 | \$1,232,443 (per line 1 C federal tax return) |
| 13 2016 | \$938,062 (internal records) YTD through 09/30/2016 |
- 14 12. The Debtor's problems appear to include the following:
- 15 • Competition is heavy in the AV for collision repair work. There
16 are perhaps 50 different repair shops there for cars and small
17 trucks. Perhaps 7 of these shops do consistently good work.
18 There are 3 RV repair shops in the AV other than the Debtor's
19 shop. None of them do consistent high quality work.
20 However, the fact of competition pushes charges downward.
 - 21 • Insurance companies also create a downward pressure on
22 repair prices as to cars and small trucks. Carriers entice shops
23 into accepting larger quantities of collision work as preferred
24 shops bringing in more work but these shops must work only at
25 the carriers' rates and assume financial liabilities and costs
26 when vehicles are not timely repaired, e.g., pay for customer's
27 rental vehicles. These shops are tied to the carriers' prices
28 while a shop like the Debtors is not. The fact that the insurance

1 shops exist places more downward pressure on the Debtor's
2 prices. Also though carriers are not supposed to steer its
3 insureds to insurance repair shops, they still finds ways to steer
4 their insureds to their preferred shops.

- 5 • In recent years, the Debtor has been losing money.
- 6 • As a result, the Debtor had stopped its marketing efforts.
- 7 • A lender had loaned monies to the Debtor (on an SBA
8 guaranteed loan). The SBA is seeking full payment now. The
9 Debtor does not have the money to pay the SBA.

10 13. The SBA recorded a financing statement (and a continuation statement) and
11 it appears to hold a properly perfected security interest in monies. The SBA
12 is owed approximately \$265,000 (per counsel for the SBA at the initial
13 hearing on cash collateral held November 16, 2016). The Debtor had
14 scheduled this claim at \$391,846. A copy of the SBA's financing statement
15 is attached here as **Exhibit "B"** and incorporated herein by reference as
16 though set forth in full herein. ¹

17 14. The Debtor intends to reorganize, to remain in business and to pay monies
18 to its creditors.

19 15. The Debtor's historical financial condition can be seen in the financial
20 reports attached hereto as **Exhibit "C"** and incorporated herein by reference
21 as though set forth in full herein.

22 III.

23 **The Debtor's Financial Condition Moving Forward.**

24 16. Assets of the estate are insured.

25 17. The Debtor's annual gross income has varied in recent years. It is likely
26

27 ¹ American Security Bank recorded a financing statement affecting certain
28 machinery and its proceeds. It is owed no monies.

1 that the gross revenues for year 2016 will be more than \$1 million.

2 18. The Debtor has prepared a projection of gross revenues, costs of goods
3 sold, overhead expenses, net profit and cash flow through the week of April
4 29, 2017. The projection is attached here as Exhibit "A" and incorporated
5 herein by reference as though set forth in full herein.

6 19. The Debtor's assets include the following: (figures are approximate)

<u>Asset:</u>	<u>Value at 12/31</u>	<u>Value at Filing</u> ²
7 Monies:	\$3,145 (Exhibit "D")	\$1,400
8 Receivables:	\$20,319 (Exhibit "E")	\$17,515
9 WIP	\$161,269 (Exhibit "F")	\$155,813
10 M&E	\$9,590 (Exhibit "G")	\$5,350 ³

12

13 Total Asset Values: \$194,323 \$180,078

14 Difference: Increase of \$14,245 in Post-petition Period

15

16 20. Also attached to this Motion are copies of the following reports:

- 17 • A payables report as of December 31, 2016 (Exhibit "H")
- 18 • A balance sheet as of December 31, 2016 (Exhibit "D")
- 19 • An actual to budget report showing the Debtor's financial
20 performance in the first few weeks of the chapter 11 case.
21 Note that the first week began on a Tuesday and the 2nd week
22 of the report includes Thanksgiving. (Exhibit "I")
- 23 • A bid log for vehicles and for RV units. The log shows
24 considerable likely work in the near future for the Debtor.

25

26 ² All values as of the filing date are taken from the Debtor's initial motion
27 for authority to use cash collateral at docket no. 7, page 8.

28 ³ In its initial Motion, the Debtor incorrectly valued the M&E at \$5,350 but
the actual value is \$9,590 (Schedule B, docket no. 1 pages 15-16)

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IV.

Post-Petition Events

21. The Debtor filed various first day motions including motions to use cash collateral, to pay priority payroll, to honor prepetition customer warranties and to address utility issues under §366. The Debtor has filed applications to employ counsel and an accountant.
22. The Debtor filed complete schedules and its Statement of Financial Affairs.
23. The Debtor is providing compliance information to the U.S. Trustee including proof of insurances. The Debtor maintains on a current basis workers compensation and general liability insurances.
24. During the short period the Debtor has been in chapter 11, the following positive financial and business events have occurred:
- The Debtor secured one contract for approximately \$112,000 to paint subway car panels and has a proposal into the manufacturer for a second contract for approximately \$25,000. The contracts should generate positive cash flow.
 - The Debtor's projections of income and expenses have generally been on track with the Debtor's gross revenues a bit lower than projected but COGS also being lower than forecast. That COGS are lower is a healthy sign as COGS are moving in tandem with gross revenues. COGS have been consistent in the post-petition period at 54%. This is a strong margin, one better than the insurance shops.
 - Going after fleets for collision work is a new strategy, a new distribution source, which can stabilize cash flow.
25. Going forward there are additional reasons why the Debtor can do well. For example:
- The Antelope Valley is a foci of a recent \$89 billion federal

1 contract Northrop Grumman obtained to develop a new fighter
2 jet. It will be doing most of the work on the contract in the AV.
3 The increased traffic in the AV and resulting collisions should
4 help the Debtor's business.

5 • The Debtor has re-started its marketing, utilizing more under
6 the radar methods including direct phone calls to potential
7 business customers and mailing small items to potential referral
8 sources with personal follow up. These approaches have
9 brought in new business, typically fleet work instead of the
10 single collision jobs.

11 • The Debtor's RV shop is the only lawful inside paint shop in the
12 AV. The Debtor emphasizes that fact in its marketing. While
13 outdoor painting is lawful in the AV, it is inefficient and difficult
14 to do because of high winds and dirt. Outdoor painting leads
15 to quality issues from dirt particles which stick to the new paint.
16 In contrast, the Debtor's indoor paint area is in a controlled
17 area with a filtration system and bereft of winds and dirt.

18 • As to RV collision repair work, insurance carriers do not yet
19 have a detailed listing of what collision repairs should cost. As
20 a result, carriers typically accept the estimates from collision
21 shops. This helps margins. The Debtor is taking steps to
22 increase its RV repair business. It currently has 10 RV units in
23 the shop for repair services.

24 • RV sales by dealers are territorial. In the Valley, there different
25 RV dealers with territories. A manufacturer has approached the
26 Debtor and inquired if the Debtor would like to be that entity's
27 exclusive retailer in the Valley. The Debtor is considering doing
28 this, at least initially, on a small scale.

- 1 • Seasonality is a problem as to RV repair work. RV units are
2 stored in colder weather until spring time. Collisions decline
3 during colder weather. The Debtor's problem therefore has
4 typically been a lack of RV repair work for a number of months
5 while at the same time the need to keep a skilled staff
6 employed and paid for the busier months. Gross revenues will
7 dip significantly in colder months and that can cause a cash
8 crunch. More recently, the Debtor has worked to alleviate this
9 seasonality problem by adding regular customers such as the
10 CHP, a large ambulance company, a school district (buses), a
11 construction contractor (truck fleet) and painting work for a
12 manufacturer of subway cars.
- 13 • The Debtor has been cutting costs and it will continue to do so.
14 As one large example, the Debtor had been operating a third
15 location which only did vehicle detailing work. The debtor
16 moved its detailing work back into the two remaining shops
17 and lowered its costs. The Debtor has terminated employees.
- 18 • The Department of Motorized Vehicles operates two DMV
19 offices in the Valley. The DMV will soon be shutting down the
20 two offices and opening a combined office down the street
21 from the Debtor's Lancaster RV location. This may assist the
22 Debtor in acquiring more business as car traffic will increase
23 substantially and more local people will see the Debtor's shop.
24 Also the street the Lancaster shop is on is presently a cul-de-
25 sac. The city is opening the street up at both ends and that too
26 should increase street traffic for the Debtor's shop.
- 27 • When the new DMV office opens, the Debtor will add salvage
28 title work at its Lancaster location. With any salvaged vehicle,

1 the state requires that such vehicle have its brakes, lights and
2 title inspect, something private services do. Given the location,
3 the Debtor could pick up some additional business without
4 needing to purchase new equipment. The Debtor has an
5 employee experienced in title checking.

- 6 • The Debtor has considered adding a smog shop but the Debtor
7 does not have the funds to purchase the equipment which will
8 need to be upgraded in year 2018 to meet stricter standards
9 which will come into law then. After the DMV office opens, the
10 Debtor will look to see if an existing smog check company
11 would like to sublet space from the Debtor's Lancaster location.
- 12 • The Debtor's business is not a luxury business on the vehicle
13 side but a necessity usually insurance coverage. Even with RVs,
14 there usually is insurance coverage.
- 15 • The company has done well in the past, before its present
16 problems. David Stark has been in the business for a few
17 decades and he knows his industry well. His name is well
18 known.

19 26. The Debtor intends to file a plan of reorganization and to remain in
20 business. The Debtor believes that it will have one or more impaired
21 classes voting to support plan confirmation and, if necessary, the Debtor
22 may have a new value contribution.

23 V.

24 **Request for Authority to Use Cash Collateral.**

25 27. The Debtor seeks authority to use cash collateral in the ordinary course of
26 business. The Debtor seeks authority to use cash collateral on an interim
27 and on a final basis under the budget.

28 28. The Debtor requires cash collateral to operate its business, to pay

1 employees, to pay rent and utilities and pay other expenses. Without the
2 use of cash collateral, the Debtor will be unable to remain in business. If
3 the Debtor cannot use cash collateral, its reputation in the industry will be
4 severely harmed. Authorizing the relief requested below will benefit entities
5 asserting interests in estate monies as the use of cash collateral will protect
6 their security. If their security interests extend to the Debtor's monies, then
7 the Debtor does not have unencumbered sources of monies or other assets
8 to pay ordinary course of business obligations.

9 29. Variance. The Debtor has done its best to make accurate projections
10 concerning income and expenses. However, budgeting is an inexact
11 science, especially as the Debtor operates in an industry where it does not
12 control when accidents occur. There may be considerable variance week to
13 week and month to month in the work the Debtor obtains before the final
14 hearing on cash collateral. The Debtor requests that it be permitted to vary
15 from the proposed budget by as much as 20% as to any one category. If
16 the Debtor determines it needs to vary from any one budgeted item by
17 more than the 20% variance, the Debtor proposes that it provide written
18 notice by email or telecopier of the variance to the entities asserting
19 interests in the estate's monies. If they do not object to the variance within
20 48 business hours, then the variance will be deemed approved. In the
21 event either entity objects, then the Debtor may seek to set a hearing to
22 obtain approval of the variance.

23 30. At the initial hearing on the use of cash collateral, the Court approved a
24 variance of 15%. (Docket no. 36, page 3)

25 31. Rolling Unspent Budgeted Monies Forward. The budget is a weekly budget.
26 It is likely the Debtor will underspend in certain categories in some weeks.
27 The Debtor requests that the Court authorize it to carry over from previous
28 weeks any unused monies to be used in the same categories in future

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weeks.

32. The Debtor also requests that the monies carried forward not count toward the 20% variance. The rollover is important because the Debtor projects sales and revenues on a weekly basis but some sales and some revenue may come in one or two weeks later than projected. This typically happens because the Debtor does not control when collisions will occur and when carriers will approve repairs. If additional work beyond that forecast in a given week occurs, then the Debtor would have insufficient monies in various categories in the budget to properly fund the repair or paint jobs.

33. Applying Any Excess Revenues to Costs of Goods Sold. It may be that in some periods the Debtor's gross revenues exceed the projected figures. If this happens, this also means the Debtor has a lot of work to do and a lot of expenses directly tied to the jobs it is doing. The Debtor requests that in the event that its gross revenues exceed the projected figures that it be permitted to apply up to 75% of such excess gross revenues to costs of goods sold. COGS includes these categories: Costs of materials for jobs; and direct labor costs for jobs.

34. The Entity's Interests Is Adequately Secured. It is afforded adequate protection of its claim in many ways.

a. The aggregate value of the assets has not materially declined during the chapter 11 case.

<u>Asset:</u>	<u>Value at 12/31</u>	<u>Value at Filing</u>
Monies:	\$3,145	\$1,400
Receivables:	\$20,319	\$17,515
WIP	\$161,269	\$155,813
M&E	<u>\$9,590</u>	<u>\$5,350</u>
 Total Asset Values:	 \$194,323	 \$180,078

1 Difference: Increase of \$14,245

2

3 b. The Debtor continuing to operate the business and maintaining
4 and servicing the inventory and equipment.

5 c. Operating the business creates additional revenues.

6 d. All assets are adequately insured.

7 e. Providing replacements lien to American Security Bank to the
8 extent that its prepetition lien attached to property of the Debtor
9 prepetition and with the same validity, priority, and description
10 of collateral. To be clear, if there is a defect in a security
11 interest prepetition, that same defect would apply post-petition.

12 f. The Court may order the Debtor at the interim hearing or at the
13 final hearing to make adequate protection payments. The
14 Debtor does not propose to make adequate protection
15 payments until later in the case so that the Debtor can start to
16 get its finances on a firmer basis.

17 35. Final Use of Cash Collateral. The Debtor requests that the Court set a
18 hearing on final use of cash collateral and, at that hearing, authorize the
19 Debtor to use cash collateral in the ordinary course of business.

20 36. If the Court is willing to authorize the Debtor to use cash collateral on a
21 final basis but pursuant to the proposed budget, that budget only goes
22 through April, 2017. The Court would need to set up a mechanism for the
23 Debtor to file continuing budgets.

24 37. Waivers and Cash Collateral Stipulation Form 4001-2; Notice. There is no
25 stipulation for the use of cash collateral. There are no provisions in the
26 Motion that are referenced in Official Form 4001-2. The Debtor is not
27 here waiving (1) any right to dispute the validity of any lien, (2) to challenge
28 whether particular assets are subject to a security interest, (3) to invalidate a

1 security interest, (4) to surcharge collateral or (5) to maintain any claims
2 that the Debtor may have against any creditor asserting secured interests.

3 VI.

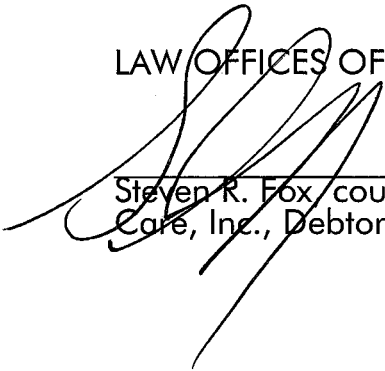
4 Conclusion

5 The Debtor requests that the Court take the following actions:

- 6 1. Authorize the Debtor to use cash collateral on a final basis in
7 the ordinary course of business through plan confirmation or,
8 alternatively, authorize the Debtor to use cash collateral on an
9 interim basis pursuant to the terms of the attached projections
10 through the period indicated there together with the variance
11 and rollover provisions and application of any excess revenues
12 to costs of goods sold;
- 13 2. Authorize the Debtor to pay an adequate protection payment of
14 \$500 monthly to the SBA;
- 15 4. Grant to the SBA a replacement lien in collateral of the estate
16 as discussed below; and
- 17 5. Such further relief as the Court deems appropriate and
18 consistent with this Motion.

19
20 Dated: January 4, 2017

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DECLARATION OF DAVID G. STARK

I, David Stark, declare as follows:

1. I am the founder of, majority shareholder and president of the Debtor, Critical Car Care, Inc. My business address is 5022 West Columbia Way, Lancaster, CA 93536. My statements here are based on my personal knowledge. If called to testify concerning the contents of this Declaration, I could and would do so competently. This declaration is offered in support of the Debtor's second motion for authority to use cash collateral.

I.

Personal Knowledge and Authentication

2. My roles with the Debtor include the following:
- I oversee the office administration;
 - I oversee the creation and maintenance of the Debtor's financial books and records;
 - I oversee marketing and incoming calls for work;
 - I oversee customer and public relations;
 - I estimate jobs on which the Debtor bids;
 - I work on business strategies and direction.
 - I oversee workers.
 - I am working with counsel on the chapter 11 case.
3. I have personal knowledge of the Debtor's business having worked at the business since its inception.
4. I am a custodian of the Debtor's books, records, and documents. The Debtor maintains records of its transactions in the regular course of business, and it is the Debtor's practice and procedure to maintain records and to record transactions, acts, and events at or about the time the transaction occurs. The Debtor relies on these records in connection with its business dealings. I oversee the safekeeping of business records including

1 financial records. The Debtor has business records primarily as computer
2 files. If a business record is maintained on a computer, there are safety
3 features which help to keep business records secure. For example, access
4 to many records is limited for most employees. Financial records as one
5 example can only be accessed if one has the necessary password. Only
6 management level personnel have a necessary password. Other
7 employees do not. The computer is linked to a server. The server backs up
8 the data stored on the computer. The server computer is maintained in a
9 secured location. It has an uninterruptible power supply.

10 5. I have personal knowledge of the procedures for creating, receiving,
11 maintaining, storing and retrieving documents and records. The Debtor's
12 business records are received, maintained, stored and retrieved in the
13 ordinary course of the company's course of business. It is the ordinary
14 course of the business to receive, maintain, store and retrieve records
15 including any business records attached as exhibits discussed below.
16 People with knowledge of the records and any exhibits contained below
17 recorded or made these exhibits discussed below. The records were
18 recorded at or near the time of their receipt or creation in the ordinary
19 course of business.

20 6. The exhibits discussed below are what they purport to be. Either I prepared
21 the exhibit, I directed that the exhibit be prepared, I participated in its
22 preparation or I did not prepare it but I had an opportunity to examine the
23 exhibit and determine its accuracy or reliability.

24 II.

25 **The Debtor, Its Business, and the Financial Difficulties.**

26 7. In the Antelope Valley "(AV)", the Debtor, from two shops in Quartz Hill and
27 in Lancaster, repairs cars, trucks, RV vehicles and boats, typically after they
28 have been involved in accidents. With respect to RV units, the Debtor will

1 repair accident damage, tire damage, interior damage, plumbing,
2 awnings, electrical and will perform warranty work. As to cars and trucks,
3 the Debtor will repair damage for collisions.

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5 customers who operate fleets of vehicles and who have determined that the
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8 panels for subways cars. Recently, the Debtor painted the 3 large model
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11 large model craft which adorn the entrance to its AV facility.

12 9. Its recent gross revenues have been as follows:

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16 10. The Debtor's problems appear to include the following:

- 17 • Competition is heavy in the AV for collision repair work. There
18 are perhaps 50 different repair shops there for cars and small
19 trucks. I believe that perhaps 7 of these shops do consistently
20 good work. There are 3 RV repair shops in the AV other than
21 the Debtor's shop. I believe that none of them do consistent
22 high quality work. However, the fact of competition pushes
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3 while a shop like the Debtors is not. The fact that the insurance
4 shops exist places more downward pressure on the Debtor's
5 prices. Also though carriers are not supposed to steer its
6 insureds to insurance repair shops, they still finds ways to steer
7 their insureds to their preferred shops. I do not believe that the
8 Debtor should become an insurance shop because the financial
9 downsides are too high, e.g., the narrow margins (if any) and
10 the extra costs which come with being an insurance shop.

- 11 • In recent years, the Debtor has been losing money.
- 12 • As a result, the Debtor had stopped its marketing efforts.
- 13 • A lender had loaned monies to the Debtor (on an SBA
14 guaranteed loan). The SBA is seeking full payment now. The
15 Debtor does not have the money to pay the SBA.

16 11. I understand that the SBA recorded a financing statement (and a
17 continuation statement). The SBA is owed approximately \$265,000 (per
18 counsel for the SBA at the initial hearing on cash collateral held November
19 16, 2016 - I was present at the hearing.). The Debtor had scheduled this
20 claim at \$391,846. ⁴

21 12. The Debtor intends to reorganize, to remain in business and to pay monies
22 to its creditors.

23 13. The Debtor's historical financial condition can be seen in the financial
24 reports attached hereto as **Exhibit "C"** and incorporated herein by reference
25 as though set forth in full herein.

27 ⁴ American Security Bank recorded a financing statement affecting certain
28 machinery and its proceeds. It is owed no monies.

III.

The Debtor's Financial Condition Moving Forward.

- 14. Assets of the estate are insured.
- 15. The Debtor's annual gross income has varied in recent years. It is likely that the gross revenues for year 2016 will be more than \$1 million.
- 16. The Debtor has prepared a projection of gross revenues, costs of goods sold, overhead expenses, net profit and cash flow through the week of April 29, 2017. The projection is attached here as Exhibit "A" and incorporated herein by reference as though set forth in full herein.
- 17. The Debtor's assets include the following: (figures are approximate)

<u>Asset:</u>	<u>Value at 12/31</u>	<u>Value at Filing</u> ⁵
Monies:	\$3,145 (Exhibit "D")	\$1,400
Receivables:	\$20,319 (Exhibit "E")	\$17,515
WIP	\$161,269 (Exhibit "F")	\$155,813
M&E	\$9,590 (Exhibit "G")	\$5,350 ⁶
Total Asset Values: \$194,323		\$180,078
<u>Difference: Increase of \$14,245 in Post-Petition Period</u>		

- 18. Also attached to this Motion are copies of the following reports:
 - A payables report as of December 31, 2016 (Exhibit "H")
 - A balance sheet as of December 31, 2016 (Exhibit "D")
 - An actual to budget report showing the Debtor's financial performance in the first few weeks of the chapter 11 case.

⁵ All values as of the filing date are taken from the Debtor's initial motion for authority to use cash collateral at docket no. 7, page 8.

⁶ In the initial Motion, the Debtor used the figure \$5,350 as the value of M&E. The actual value stated in the Debtor's Schedule B is \$9,590 (docket no. 1 pages 15-16)

- 1 Note that the first week began on a Tuesday and the 2nd week
2 of the report includes Thanksgiving. (Exhibit "I")
3 • The Debtor's bid log for RV and vehicle collision reflects likely
4 considerable work in the near future. (Exhibit "J")

5 IV.

6 Post-Petition Events

- 7 19. The Debtor filed various first day motions including motions to use cash
8 collateral, to pay priority payroll, to honor prepetition customer warranties
9 and to address utility issues under §366. The Debtor has filed applications
10 to employ counsel and an accountant.
- 11 20. The Debtor filed complete schedules and its Statement of Financial Affairs.
- 12 21. The Debtor is providing compliance information to the U.S. Trustee
13 including proof of insurances. The Debtor maintains on a current basis
14 workers compensation and general liability insurances.
- 15 22. During the short period the Debtor has been in chapter 11, the following
16 positive financial and business events have occurred:
- 17 • The Debtor secured one contract for approximately \$112,000
18 to paint subway car panels and has a proposal into the
19 manufacturer for a second contract for approximately \$25,000.
20 These two items should generate positive cash flow.
 - 21 • The Debtor's projections have generally been on track, with
22 gross revenues lower than projected but with COGS also being
23 lower than forecast. The lower COGS is healthy as it shows
24 that COGS are moving in tandem with gross revenues. COGS
25 have been consistent at 54% in the post-petition period, a
26 strong margin, better than the insurance shops.
 - 27 • We are going after vehicle fleets for collision work. This is a
28 new strategy which can stabilize the Debtor's cash flow.

1 23. Going forward there are additional reasons why the Debtor can do well.

2 For example:

- 3 • The Antelope Valley is a foci of a recent \$89 billion federal
4 contract Northrop Grumman obtained to develop a new fighter
5 jet. It will be doing most of the work on the contract in the AV.
6 The increased traffic in the AV and resulting collisions should
7 help the Debtor's business.
- 8 • The Debtor has re-started its marketing, utilizing more under
9 the radar methods including direct phone calls to potential
10 business customers and mailing small items to potential referral
11 sources with personal follow up. These approaches have
12 brought in new business, typically fleet work instead of the
13 single collision jobs.
- 14 • The Debtor's RV shop is the only lawful inside paint shop in the
15 AV. The Debtor emphasizes that fact in its marketing because
16 this is important. While outdoor painting of RV units is lawful in
17 the AV, it is inefficient and difficult to do because of high winds
18 and dirt. Outdoor painting leads to quality issues from dirt
19 particles which stick to the new paint. In contrast, the Debtor's
20 indoor paint area is in a controlled area with a filtration system
21 and bereft of winds and dirt.
- 22 • As to RV collision repair work, insurance carriers do not yet
23 have a detailed listing of what collision repairs should cost. So
24 carriers typically accept the collision shop's estimates. This
25 helps margins. We are taking steps to increase RV repair work.
26 The Debtor currently has 10 RV units in the shop for repairs.
- 27 • RV sales by dealers are territorial. In the Valley, there different
28 RV dealers with territories. A manufacturer has approached the

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Debtor and inquired if the Debtor would like to be that entity's exclusive retailer in the Valley. The Debtor is considering doing this, at least initially, on a small scale.

- Seasonality is a problem as to RV repair work. RV units are stored in colder weather until spring time. Collisions decline during colder weather. The Debtor's problem therefore has typically been a lack of RV repair work for a number of months while at the same time the need to keep a skilled staff employed and paid for the busier months. Gross revenues will dip significantly in colder months and that can cause a cash crunch. More recently, the Debtor has worked to alleviate this seasonality problem by adding regular customers such as the CHP, a large ambulance company, a school district (buses), a construction contractor (truck fleet) and painting work for a manufacturer of subway cars.
- The Debtor has been cutting costs and it will continue to do so. As one large example, the Debtor had been operating a third location which only did vehicle detailing work. The debtor moved its detailing work back into the two remaining shops and lowered its costs. The Debtor has terminated employees.
- The Department of Motorized Vehicles has two DMV offices in the AV. Both offices will be closed shortly and replaced by a combined office down the street from Debtor's Lancaster shop. This may assist the Debtor to acquire more business as car traffic will increase substantially and more people will see the shop. Also the street the Lancaster shop is on is a cul-de-sac but the city is opening the street to be a drive through street. This should increase street traffic for the Debtor's shop.

- 1 • When the new DMV office opens, the Debtor will add salvage
2 title work at its Lancaster location. With any salvaged vehicle,
3 the state requires that such vehicle have its brakes, lights and
4 title inspect, something private services do. Given the location,
5 the Debtor could pick up some additional business without
6 needing to purchase new equipment. The Debtor has an
7 employee experienced in title checking. We have considered
8 adding a smog shop but the Debtor does not have the funds to
9 purchase the equipment which will need to be upgraded in
10 year 2018 to meet stricter standards which will come into law
11 then. We will look to see if an existing smog check company
12 would like to sublet space from the Debtor's Lancaster location.
- 13 • The Debtor's business is not a luxury business on the vehicle
14 side but a necessity usually insurance coverage. Even with RVs,
15 there usually is insurance coverage.
- 16 • The company has done well in the past, before its present
17 problems. I have been in the business for a few decades and I
18 know my industry well. My name is well known.

19 24. The Debtor intends to file a plan of reorganization and to remain in
20 business. The Debtor may have a new value contribution.

21 V.

22 Request for Authority to Use Cash Collateral.

23 25. The Debtor seeks authority to use cash collateral in the ordinary course of
24 business. The Debtor seeks authority to use cash collateral on an interim
25 and on a final basis under the budget.

26 26. The Debtor requires cash collateral to operate its business, to pay
27 employees, to pay rent and utilities and pay other expenses. Without the
28 use of cash collateral, the Debtor will be unable to remain in business. If

1 the Debtor cannot use cash collateral, its reputation in the industry will be
2 severely harmed. Authorizing the relief requested below will benefit entities
3 asserting interests in estate monies as the use of cash collateral will protect
4 their security. If their security interests extend to the Debtor's monies, then
5 the Debtor does not have unencumbered sources of monies or other assets
6 to pay ordinary course of business obligations.

7 27. Variance. The Debtor has done its best to make accurate projections
8 concerning income and expenses. However, budgeting is an inexact
9 science, especially as the Debtor operates in an industry where it does not
10 control when accidents occur. There may be considerable variance week to
11 week and month to month in the work the Debtor obtains before the final
12 hearing on cash collateral. The Debtor requests that it be permitted to vary
13 from the proposed budget by as much as 20% as to any one category. If
14 the Debtor determines it needs to vary from any one budgeted item by
15 more than the 20% variance, the Debtor proposes that it provide written
16 notice by email or telecopier of the variance to the entities asserting
17 interests in the estate's monies. If they do not object to the variance within
18 48 business hours, then the variance will be deemed approved. In the
19 event either entity objects, then the Debtor may seek to set a hearing to
20 obtain approval of the variance.

21 28. At the initial hearing on the use of cash collateral, the Court approved a
22 variance of 15%.

23 29. Rolling Unspent Budgeted Monies Forward. The budget is a weekly budget.
24 It is likely the Debtor will underspend in certain categories in some weeks. I
25 request that the Court authorize the Debtor to carry over from previous
26 weeks any unused monies to be used in the same categories in future
27 weeks.

28 30. The Debtor also requests that the monies carried forward not count toward

1 the 20% variance. The rollover is important because the Debtor projects
2 sales and revenues on a weekly basis but some sales and some revenue
3 may come in one or two weeks later than projected. This typically happens
4 because the Debtor does not control when collisions will occur and when
5 carriers will approve repairs. If additional work beyond that forecast in a
6 given week occurs, then the Debtor would have insufficient monies in
7 various categories in the budget to properly fund the repair or paint jobs.

8 31. Applying Any Excess Revenues to Costs of Goods Sold. It may be that in
9 some periods the Debtor's gross revenues exceed the projected figures. If
10 this happens, this also means the Debtor has a lot of work to do and a lot
11 of expenses directly tied to the jobs it is doing. The Debtor requests that in
12 the event that its gross revenues exceed the projected figures that it be
13 permitted to apply up to 75% of such excess gross revenues to costs of
14 goods sold. COGS includes these categories: Costs of materials for jobs;
15 and direct labor costs for jobs.

16 32. The Entity's Interests Is Adequately Secured. It is afforded adequate
17 protection of its claim in many ways.

18 a. The aggregate value of the assets has not materially declined
19 during the chapter 11 case.

<u>Asset:</u>	<u>Value at 12/31</u>	<u>Value at Filing</u>
20 Monies:	\$3,145	\$1,400
21 Receivables:	\$20,319	\$17,515
22 WIP	\$161,269	\$155,813
23 M&E	<u>\$9,590</u>	<u>\$5,350</u>
24		
25		
26 Total Asset Values:	\$194,323	\$180,078
27 Difference: Increase of \$14,245		

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- 1 b. The Debtor is continuing to operate the business and
2 maintaining and servicing the inventory and equipment.
3 c. Operating the business creates additional revenues.
4 d. All assets are adequately insured.
5 e. Providing replacements lien to American Security Bank to the
6 extent that its prepetition lien attached to property of the Debtor
7 prepetition and with the same validity, priority, and description
8 of collateral. To be clear, if there is a defect in a security
9 interest prepetition, that same defect would apply post-petition.
10 f. The Court may order the Debtor at the interim hearing or at the
11 final hearing to make adequate protection payments. The
12 Debtor does not propose to make adequate protection
13 payments until later in the case so that the Debtor can start to
14 get its finances on a firmer basis.

15 33. Final Use of Cash Collateral. The Debtor requests that the Court set a
16 hearing on final use of cash collateral and, at that hearing, authorize the
17 Debtor to use cash collateral in the ordinary course of business. If the
18 Court is willing to authorize the Debtor to use cash collateral on a final
19 basis but pursuant to the proposed budget, that budget only goes through
20 April, 2017. The Court would need to set up a mechanism for the Debtor
21 to file continuing budgets.

22 34. On the Debtor's behalf, I request that the Court authorize the Debtor to use
23 cash collateral in the ordinary course and on a final basis through plan
24 confirmation. The Debtor's has identified new business and it is working to
25 decrease its COGS and its overhead expenses.

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Executed this January 4, 2017, at Lancaster, California.

I declare under penalty of perjury that the foregoing is true and correct.

please see next page
David Stark

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Executed this January 4, 2017, at Lancaster, California.

I declare under penalty of perjury that the foregoing is true and correct.


David Stark

1 In re

Critical Car Care, Inc.

2 Debtor(s)

Chapter 11

Case No.: 2:16-bk-25072-BB

3 **PROOF OF SERVICE OF DOCUMENT**

4 I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business
5 address is: 17835 Ventura Blvd., Suite 306, Encino, CA 91316

6 A true and correct copy of the foregoing document entitled Second Motion For Use Of Cash Collateral On
7 An Interim And Final Basis; Memorandum Of Points And Authorities
8 will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-
2(d); and (b) in the manner stated below:

9 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to
10 controlling General Orders and LBR, the foregoing document will be served by the court via NEF and
11 hyperlink to the document. On January 4, 2017, I checked the CM/ECF docket for this bankruptcy case or
adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to
receive NEF transmission at the email addresses stated below:

12 **Counsel for Debtor:** Steven R Fox emails@foxlaw.com, **Counsel for AmTrust North America, Inc. On**
13 **behalf of Security National Insurance Company:** Alan Craig Hochheiser hochheiser@buckleyking.com,
rodriguez@buckleyking.com, **Trustee:** Ron Maroko ron.maroko@usdoj.gov, **Trustee:** United States
14 **Trustee (LA)** ustprejon16.la.ecf@usdoj.gov, **Trustee:** Hatty K Yip hatty.yip@usdoj.gov,
dare.law@usdoj.gov, melanie.scott@usdoj.gov, queenie.k.ng@usdoj.gov, ron.maroko@usdoj.gov

15 Service information continued on attached page

16 **2. SERVED BY UNITED STATES MAIL:**

17 On January 4, 2017, I served the following persons and/or entities at the last known addresses in this
18 bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope
in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here
constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the
document is filed.

19 Honorable Sheri Bluebond, U.S. Bankruptcy Court, 255 E. Temple St., Suite 1534, Los Angeles, CA
90012, U.S. Trustee, 915 Wilshire Blvd., Suite 1850, Los Angeles, CA 90017

20 Service information continued on attached page

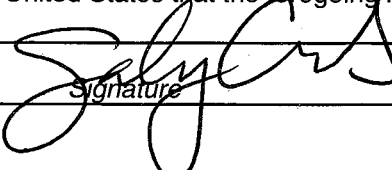
21 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL**

22 (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on
January 4, 2017, I served the following persons and/or entities by personal delivery, overnight mail
23 service, or (for those who consented in writing to such service method), by facsimile transmission and/or
email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight
mail to, the judge will be completed no later than 24 hours after the document is filed.

24 Service information continued on attached page

25 I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

26 January 4, 2017 Sandy Cuevas
27 Date Printed Name

Signature 

28 This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Critical Car Care, Inc.
Ch.11 Case No. 2:16-bk-
25072-BB

20 Largest + secured
Creditors(23):

Allied Insurance
P.O. Box 514540
Los Angeles, CA 90051

American Security Bank
P.O. Box 1625
Apple Valley, CA 92307

Ameripride Services
335 Washington St.
Bakersfield, CA 93307-2719

Anthem Blue Cross
P.O. Box 9062
Oxnard, CA 93031

AV Auto Paints
339 West Avenue I
Lancaster, CA 93534

Bank of America
P.O. Box 15019
Wilmington, DE 19886-5019

Bank of America
Business Card
P.O. Box 15796
Wilmington, DE 19886-5796

Carpeteria
42212 10th Street West, Unit
2A
Lancaster, CA 93534

Citibusiness Card
P.O. Box 6235
Sioux Falls, SD 57117-6235

Citizens Business Bank
Myrna L. Di Santo, Agent for
Service of Process
701 N. Haven Ave.
Ontario, CA 91764

Fletcher's Fire Protection
3318 West Avenue L4
Lancaster, CA 93536

Los Angeles County Fire
Department
P.O. Box 513148
Los Angeles, CA 90051-1148

Los Angeles County Tax
Collector
P.O. Box 54018
Los Angeles, CA 90054-0018

Mid State Development
Corporation
1631 17th Street
Bakersfield, CA 93301
New address per website

Mike Hughes
44131 60th St. West
Lancaster, CA 93536

Performant Recovery, Inc.
P.O. Box 9046
Pleasanton, CA 94566-9046

Performant Recovery, Inc.
DMS DVR
P.O. Box 979112
Saint Louis, MO 63197-9000

Praxair
Dept LA 21511
Pasadena, CA 91185-1511

Sierra Toyota
43301 12th Street West
Lancaster, CA 93534

Southern California Edison
P.O. Box 300
Rosemead, CA 91772-0001

The Glass Shop
P.O. Box 63162
Los Angeles, CA 90063-1620

United States Attorney's
Office
Elan S. Levey
300 N. Los Angeles St.,
Room 7516
Los Angeles, CA 90012

Wurth
P.O. Box 843948
Dallas, TX 75284-3948

**PARTIES WHO HAVE
CONSENTED TO
ELECTRONIC SERVICE BY
THE LAW OFFICES OF
STEVEN R. FOX ONLY (2):**

Tire Store
43923 N. Sierra Hwy.
Lancaster, CA 93534
By Email Only

All Valley RV Center
1525 Sierra Hwy.
Acton, CA 93510
By Email Only

Exhibit “A”

Critical Car Care, Inc.
 Budget of Cash Receipts and Disbursements
 For the Period ended April 29, 2017

<u>For the week ending:</u>	<u>11/19/2016</u>	<u>11/26/2016</u>	<u>12/3/2016</u>	<u>12/10/2016</u>	<u>12/17/2016</u>	<u>12/24/2016</u>	<u>12/31/2016</u>	<u>1/7/2017</u>
Revenue	27,000	27,000	27,000	27,000	27,000	27,000	27,000	25,000
COGS -Labor & Material	13,230	13,230	13,230	13,230	13,230	13,230	13,230	12,250
Gross Profit	13,770	13,770	13,770	13,770	13,770	13,770	13,770	12,750
Expenses								
Advertising	500			500	170	500	170	1,000
Auto Expense -Fuel			300				300	
Bank / Merchant Fees				450			478	
Bookkeeping	1,000		1,000		1,000			1,000
Insurance -Liab, Health & WC			7,450	1,450				9,069
Interest Exp (Credit Cards)								
Payroll -Officers	3,550		3,550		3,550		2,600	
Payroll & PR Tax- Admin	9,000		9,000		9,000		9,000	
Office & Admin Expenses		1,360	1,360			1,360	1,360	
Rent Expense				7,995				7,995
Repairs & Maintenance	200		200		200		200	
Sales Tax		5,000				3,257		
Shop Supplies & Small Tools	250		250		250		100	
Telephone and Utilities				2,700			2,700	
US Trustee Fees	-							
Total Expense	14,500	6,360	23,110	13,095	14,170	5,117	16,908	19,064
Net Ordinary Income	(730)	7,410	(9,340)	675	(400)	8,653	(3,138)	(6,314)
Beginning Cash as of 11/15/16	2,841							
Projected Ending Cash	2,111	9,521	181	856	456	9,781	6,643	329
Inc/Dec to true up cash to current Actual					672			

Critical Car Care, Inc.
 Budget of Cash Receipts and Disbursements
 For the Period ended April 29, 2017

For the week ending:	<u>1/14/2017</u>	<u>1/21/2017</u>	<u>1/28/2017</u>	<u>2/4/2017</u>	<u>2/11/2017</u>	<u>2/18/2017</u>	<u>2/25/2017</u>	<u>3/4/2017</u>
Revenue	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
COGS -Labor & Material	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250
Gross Profit	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Expenses								
Advertising					1,000			
Auto Expense -Fuel			300					300
Bank / Merchant Fees				549				444
Bookkeeping		1,000		1,000		1,000		1,000
Insurance -Liab, Health & WC	1,450					10,519		-
Interest Exp (Credit Cards)								
Payroll -Officers		2,600	2,600		2,600		2,600	
Payroll & PR Tax- Admin	8,500		11,140		8,500		8,500	
Office & Admin Expenses	1,360		1,360		1,360		1,360	
Rent Expense				7,995				7,995
Repairs & Maintenance	200		200		200		200	
Sales Tax			4,860					4,500
Shop Supplies & Small Tools	100		100		100		100	
Telephone and Utilities			2,700					
US Trustee Fees				1,625				
Total Expense	11,610	3,600	23,260	11,169	13,760	11,519	12,760	14,239
Net Ordinary Income	1,140	9,150	(10,510)	1,581	(1,010)	1,231	(10)	(1,489)
Beginning Cash as of 11/15/16								
Projected Ending Cash	1,469	10,619	109	1,690	680	1,911	1,901	412
Inc/Dec to true up cash to current Actual								

Critical Car Care, Inc.
 Budget of Cash Receipts and Disbursements
 For the Period ended April 29, 2017

For the week ending:	<u>3/11/2017</u>	<u>3/18/2017</u>	<u>3/25/2017</u>	<u>4/1/2017</u>	<u>4/8/2017</u>	<u>4/15/2017</u>	<u>4/22/2017</u>	<u>4/29/2017</u>
Revenue	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
COGS -Labor & Material	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250
Gross Profit	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Expenses								
Advertising	1,000			1,000				
Auto Expense -Fuel				300				
Bank / Merchant Fees				444				
Bookkeeping		1,000		1,000		1,000		
Insurance -Liab, Health & WC		8,139		2,380		8,139		2,380
Interest Exp (Credit Cards)								
Payroll -Officers	2,600		2,600		2,600		2,600	
Payroll & PR Tax- Admin	8,500		8,500			8,500		8,500
Office & Admin Expenses	1,360			1,360				
Rent Expense					7,995			
Repairs & Maintenance	200		200		200		200	
Sales Tax				4,500			4,500	
Shop Supplies & Small Tools	100		100		100		100	
Telephone and Utilities		2,700		2,700				
US Trustee Fees								1,625
Total Expense	13,760	11,839	11,400	13,684	10,895	17,639	7,400	12,505
Net Ordinary Income	(1,010)	911	1,350	(934)	1,855	(4,889)	5,350	245
Beginning Cash as of 11/15/16								
Projected Ending Cash	(598)	313	1,663	729	2,584	(2,305)	3,045	3,290
Inc/Dec to true up cash to current Actual								

Critical Car Care, Inc.
 Budget of Cash Receipts and Disbursements
 For the Period ended April 29, 2017

<u>For the week ending:</u>	<u>TOTAL</u>
Revenue	614,000
COGS -Labor & Material	<u>300,860</u>
Gross Profit	313,140
Expenses	
Advertising	5,840
Auto Expense -Fuel	1,500
Bank / Merchant Fees	2,365
Bookkeeping	11,000
Insurance -Liab, Health & WC	50,976
Interest Exp (Credit Cards)	-
Payroll -Officers	34,050
Payroll & PR Tax- Admin	106,640
Office & Admin Expenses	13,600
Rent Expense	39,975
Repairs & Maintenance	2,400
Sales Tax	26,617
Shop Supplies & Small Tools	1,650
Telephone and Utilities	13,500
US Trustee Fees	<u>3,250</u>
Total Expense	<u>313,363</u>
Net Ordinary Income	<u>(223)</u>
Beginning Cash as of 11/15/16	<u> </u>
Projected Ending Cash	<u>3,290</u>
Inc/Dec to true up cash to current Actual	

Footnotes:

Revenue -	Most recent 12 months revenue of \$100K/month, increased slightly for recently acquired Kinkisharyo work. Projected revenue is revised downward as a result of conversations with management and work-flow planning. Debtor is committed to achieving targeted revenue, which is down approximately \$10/mo from previous projections. Costs cutting is underway in order to avoid repeating recent losses. Debtor is focused on cutting costs as required.
COGS -Labor & Material 49%	Based on historical costs of labor and material in 2016 which approximated 51%. Decreased aggregate COGS due to recent work won, Kinkisharyo, which is expected to have lower COGS of 36%. Projecting COGS@ 49%.
Advertising	Estimated marketing expense for targeted guerilla marketing as well as online marketing.
Auto Expense -Fuel	Estimated fuel costs based on prior 12 months fuel expense.
Bank / Merchant Fees	Estimated at 3% rate on 14% of revenue transaction. Plus misc bank charges of \$24/mo.
Bookkeeping	Cost to administer financial statements and prepare monthly operating reports.
Insurance -Liab, Health & WC	Based on annual policy premium amounts. See Table 1 for details. New premium amounts projected for medical and workers comp. The debtor is shopping for lower workers comp which
Interest Exp (Credit Cards)	No interest payments are scheduled.
Payroll -Officers	Officers gross payroll of \$2050 and \$1500/biweekly pay period for Dave Stark and Kajla DeCastro respectively. Revised projection to downward to reflect net amounts paid. Taxes shown on line item below, because taxes are paid in aggregate.
Payroll & PR Tax- Admin	extra FUTA due 1/24/17. Revised projection to increase for payroll taxes paid in aggregate, and decreased for cost reductions
Office & Admin Expenses	required, netting to a slight downward overall expense fro previous projection.
Rent Expense	Includes various expenses, based on historical amounts for the most recent 10 months. See Table 2 for details.
Repairs & Maintenance	Rent for three leases, month to month. See Table 3 for details.
Sales Tax	Based upon historical expenses for the most recent 12 months.
Shop Supplies & Small Tools	Based upon 50% (subject to sales tax) of the previous month's revenue at 9%.
Telephone and Utilities	Based upon historical expenses for the most recent 12 months. Revised downward in this projection.
US Trustee Fees	Based upon historical expenses for the most recent 12 months. Based upon the US Trustee Fee Schedule.

Table 1 - Insurance Expense	Due date	Pymt/mo
Liability		1,450
Health		6,689
Workers Comp		2,380
Total Insurance Expense		<u>10,519</u>

Table 2 - Office & Adr	Due date	Per month
Bus license, taxes, permits & fee		420
Computer and Internet Expense		300
Dues and Subscriptions		1,000
Office supplies & exp		525
Uniforms		475
Total		<u>2,720</u>

Table 3 - Rent	Due date	Per month
Lancaster property		5,000
Quartz Hill property		2,832
Additional space		163
Total		<u>7,995</u>

Exhibit “B”

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
 Suzan Smith
 661-322-4241

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
 Suzan Smith
 5555 California Avenue, Suite 105
 Bakersfield, CA 93309
 USA

DOCUMENT NUMBER: 12417620003
 FILING NUMBER: 07-7111416583
 FILING DATE: 04/24/2007 15:49
 IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
 THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR				
1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
Stark		David	G.	
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
42615 8th Street West		Lancaster	CA	93534 USA
1d. SEE INSTRUCTIONS	ADD'L DEBTOR INFO	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR				
2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
Stark		Christina		
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
42615 8th Street West		Lancaster	CA	93534 USA
2d. SEE INSTRUCTIONS	ADD'L DEBTOR INFO	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

OR				
3a. ORGANIZATION'S NAME				
U. S. Small Business Administration				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
5555 California Avenue, Suite 105		Bakersfield	CA	93309 USA

4. This FINANCING STATEMENT covers the following collateral:

All Inventory, Furniture, Equipment, Accounts, General Intangibles and Fixtures, including bu not limited to as shown in Exhibit "A", whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).

Exhibit "A"

The land referred to herein below is situated in the County of Los Angeles, State of California, and is described as follows:

5. ALT DESIGNATION: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] <input checked="" type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2
--	---

8. OPTIONAL FILER REFERENCE DATA

This FINANCING STATEMENT is to be filed or recorded in the REAL ESTATE RECORDS

FILING OFFICE COPY

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX
	Stark	David	G.

10. MISCELLANEOUS:

DOCUMENT NUMBER: 12417620003
IMAGE GENERATED ELECTRONICALLY FOR WEB FILING
THE ABOVE SPACE IS FOR CA FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
Critical Car Care, Inc.				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
42615 8th Street West		Lancaster	CA	93534
11d. SEE INSTRUCTIONS		ADD'L DEBTOR INFO	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
			Corporation	CA
			11g. ORGANIZATIONAL ID#, if any	<input type="checkbox"/> NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

15. Name and address of RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

Parcel 5 of Parcel Map No. 17262, in the County of Los Angeles, State of California, as per Map recorded in Book 197, pages 41 to 43 inclusive of Parcel Maps, in the Office of the County Recorder of Said County.

17. Check only if applicable and check only one box.
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction - effective 30 years
 Filed in connection with a Public-Finance Transaction - effective 30 years

FILING OFFICE COPY

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Suzan Smith 661-322-4241				
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Suzan Smith 5555 California Avenue, Suite 105 Bakersfield, CA 93309 USA				
1a. INITIAL FINANCING STATEMENT FILE # 07-7111416583			1b. <input checked="" type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.	
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination.				
3. <input checked="" type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.				
4. <input type="checkbox"/> ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.				
5. AMENDMENT (PARTY INFORMATION): This Amendment affects <input type="checkbox"/> Debtor or <input checked="" type="checkbox"/> Secured Party of record. Check only <u>one</u> of these. Also check <u>one</u> of the following three boxes <u>and</u> provide appropriate information in items 6 and/or 7. <input type="checkbox"/> CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b. <input type="checkbox"/> ADD name: Complete item 7a or 7b, and also item 7c				
6. CURRENT RECORD INFORMATION:				
6a. ORGANIZATION'S NAME				
OR				
6b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
7. CHANGED (NEW) OR ADDED INFORMATION:				
7a. ORGANIZATION'S NAME				
OR				
7b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
7c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
7d. SEE INSTRUCTIONS		ADD'L DEBTOR INFO	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION
				7g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE
8. AMENDMENT (COLLATERAL CHANGE): check only <u>one</u> box. Describe collateral <input type="checkbox"/> deleted or <input type="checkbox"/> added, or give entire <input type="checkbox"/> restated collateral description, or describe collateral <input type="checkbox"/> assigned.				
9. NAME of SECURED PARTY of RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here <input type="checkbox"/> and enter name of DEBTOR authorizing this amendment.				
a. ORGANIZATION'S NAME U. S. Small Business Administration				
OR				
b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
10. OPTIONAL FILER REFERENCE DATA				

FILING OFFICE COPY

Exhibit “C”

CRITICAL CAR CARE

**Balance Sheet
 December 31, 2015**

Adjusted

ASSETS

CURRENT ASSETS

100 Cash on Hand	
103 Cash in Bank -Checking	7,010.26
111 Clearing Account	
Payroll Clearing	3,015.90
Accounts receivable	12,325.00
129 Inventory	63,370.00

TOTAL CURRENT ASSETS 85,721.16

FIXED ASSETS

151 Furniture & Fixtures	19,740.70
154 Machinery & Equipment	244,722.82
157 Autos & Trucks	41,451.00
160 Office Equipment	1,989.80
163 Leasehold Improvements	23,060.00
167 Allowance for Depreciation	(234,017.00)

TOTAL FIXED ASSETS 96,947.32

OTHER ASSETS

TOTAL ASSETS 182,668.48

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable - trade	34,934.50
Employer Accrued Payroll Taxes	3,946.31
225 Sales Tax Payable	4,992.36
232 CC B of A 0239	22,179.78
233 CC B of A 6286	18,573.47
234 CC Chase 0464	19,764.23
235 CC Citibank I034	2,753.09
236 CC Club Visa 5821	930.03
237 CC Visa Signature 7915	7,138.80
238 CC Amex 1007	0.00
239 CC Amex 1008	0.00

TOTAL CURRENT LIABILITIES 115,212.57

LONG-TERM LIABILITIES

250 Note Payable - Hughes	0.00
259 Note Payable - Edwards (Truck)	1,529.19
295 Loan from Shareholder	0.00

TOTAL LONG-TERM LIABILITIES 1,529.19

CRITICAL CAR CARE

Balance Sheet

December 31, 2015

TOTAL LIABILITIES	116,741.76
EQUITY	
312 Common Stock	25,000.00
320 Retained Earnings	(354,255.37)
340 Paid in capital	531,470.03
Net Income	(136,287.94)
TOTAL EQUITY	65,926.72
TOTAL LIABILITIES & EQUITY	182,668.48

CRITICAL CAR CARE

**Statement of Income
For the Year Ended December 31, 2015**

Adjusted

REVENUES

401 Body Labor	460,819.34
402 Parts	387,836.54
403 Sublet	31,995.38
405 Detail	8,305.00
407 Paint Labor	163,461.91
408 Mechanical Labor	9,027.81
409 Frame Labor	15,100.31
410 Glass Labor	422.70
411 Paint Materials	59,763.86
Returns and Allowances	(2,566.17)
426 Storage	7,330.00
427 Towing	3,067.00
428 Misc-non taxable	87,879.39
TOTAL REVENUES	1,232,443.07

COST OF SALES

501 Purchases	368,112.19
770 Supplies	116,770.26
759 Salaries	327,733.97
709 Insurance - Worker's Comp.	14,374.00
502 Subcontractors	41,477.59
TOTAL COST OF SALES	868,468.01

GROSS PROFIT 363,975.06

EXPENSES

630 Accounting & Legal	5,383.00
631 Advertising	13,746.17
634 Auto & Truck	372.53
634.1 Fuel	8,224.39
644 Bad Debts	866.55
645 Bank Charges	1,278.00
646 Credit Card Discounts	8,277.66
659 Computer Payroll Fees	2,365.31
665 Computer Expenses	1,493.00
670 Contributions	205.00
686 Dues & Subscriptions	2,583.91
689 Education & Seminars	202.59
693 Equipment Rental/Lease	2,805.49
694 Entertainment & Promotion	6,241.09

CRITICAL CAR CARE

Statement of Income

For the Year Ended December 31, 2015

707 Insurance - General	22,687.10
708 Insurance - Health	29,511.28
713 Interest Expense	14,185.78
724 Laundry & Uniforms	1,556.99
725 Legal Services	1,805.50
726 Licenses	4,485.70
728 Meals	2,367.93
738 Officers Medical Expenses	2,102.33
737 Office Expenses	12,638.30
740 Outside Services	6,705.41
756 Rent	97,460.00
758 Salaries-Clerical	63,648.62
760 Salaries-Officers	87,700.00
765 Security & Alarm Services	1,270.01
769 Shipping	42.84
771 Small Tools	1,977.13
785 Taxes - County / Property	3,587.13
786 Taxes - Payroll	43,625.57
790 Telephone	8,473.98
794 Travel	2,655.52
793 Trash Removal Expense	3,532.70
797 Utilities	22,347.62
TOTAL EXPENSES	488,412.13
 <u>OTHER INCOME/EXPENSES</u>	
Officer's Life Insurance Costs	(208.10)
Charitable Donations	(2,046.77)
Depreciation	(8,796.00)
State Franchise Tax Expense	(800.00)
TOTAL OTHER INCOME/EXPENSES	(11,850.87)
 NET INCOME	 (136,287.94)

Critical Car Care, Inc.
Statement of Profit & Loss -Accrual Basis
For the period Jan 1, 2016-Oct 31, 2016

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
Ordinary Income/Expense						
Income						
Sales						
Miscellaneous	(1,597)	2,829	4,280	5,295	1,048	1,589
Body Labor	(12,390)	13,350	48,629	39,699	39,493	39,989
Body Materials	-	124	783	674	616	598
Detail Labor	-	535	1,774	945	525	1,170
Discounts and Credits	-	-	-	-	-	(861)
Frame Labor	-	296	1,316	1,254	786	1,516
Gas, Oil and Greese	-	-	(151)	-	-	(18)
Glass Labor	-	-	390	-	230	-
Mechanical Labor	-	(1,054)	-	-	-	-
Paint Labor	382	15,958	21,177	20,469	21,562	20,474
Paint Materials	271	3,205	6,736	6,125	7,912	12,264
Parts	983	14,565	46,372	24,251	33,700	29,817
Returns & Allowances	-	-	(771)	-	-	11
Revenue	113,592	73,963	(50,824)	-	(5,681)	-
Shipping & Freight	-	-	(45)	(93)	-	-
Storage	-	120	665	720	480	300
Sublet	-	125	8,071	606	-	2,996
Towing	-	210	-	-	268	430
Sales - Other	-	(225)	952	622	2,026	1,482
Total Sales	101,242	123,999	89,354	100,567	102,963	111,757
Total Income	101,242	123,999	89,354	100,567	102,963	111,757
Cost of Goods Sold						
Body Supplies	7,599	16,714	2,278	10,411	25,084	(4,235)
Parts Purchases	13,985	26,207	25,559	37,666	11,162	6,432
Payroll Shop labor	20,609	28,122	22,503	22,352	21,076	18,251
Subcontracted Services	2,839	5,049	8,565	2,936	1,764	3,568
Total COGS	45,032	76,092	58,905	73,365	59,086	24,015
Gross Profit	56,210	47,908	30,449	27,202	43,877	87,742
Expense						
Charitable Contributions	-	-	-	-	-	-
Advertising and Promotion	631	709	1,168	2,665	1,806	1,833
Automobile Expense	66	312	261	65	211	135
Bank & Merchant Fees	1,761	768	308	647	596	1,293
Business Licenses and Permits	-	-	-	-	-	-
Computer and Internet Expenses	-	399	897	-	-	151
Depreciation Expense	665	665	665	665	665	665
Dues and Subscriptions	1,166	2,862	274	249	2,090	1,120
Equipment Rental/Lease	305	272	272	359	272	-

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
Insurance Expense						
General Liability	1,446	1,446	1,446	-	56	-
Health	5,384	5,994	5,841	5,081	5,474	9,626
Life insurance	-	-	-	-	-	56
Worker's Comp	1,887	1,450	1,450	1,450	1,450	3,071
Insurance Expense - Other	56	56	-	56	-	-
Total Insurance Expense	8,773	8,946	8,737	6,587	6,980	12,753
Interest Expense	1,098	1,578	1,606	1,796	1,728	586
Meals and Entertainment	-	405	103	89	12	194
Medical	-	250	152	-	174	201
Office Expense	289	221	1,621	265	36	235
Office Supplies	5	864	67	239	393	-
Outside Services	1,068	2,144	2,013	614	795	3,132
Payroll Expenses						
Admin	4,394	2,500	7,488	8,118	9,274	9,571
Officer	1,390	-	1,390	4,942	4,924	3,856
Payroll Tax	14,985	10,973	10,963	12,185	11,523	12,469
Payroll Expenses - Other	-	-	-	-	-	84
Total Payroll Expenses	20,769	13,473	19,840	25,246	25,721	25,980
Professional Fees						
Accounting	-	1,325	-	-	-	-
Legal	-	-	59	59	59	59
Total Professional Fees	-	1,325	59	59	59	59
Reconciliation Discrepancies	-	-	-	-	-	-
Rent Expense	8,645	5,935	5,813	8,644	8,808	8,482
Repairs and Maintenance	-	-	-	142	-	-
Shop Expense	306	888	-	632	-	133
Small Tools and Equipment	-	-	549	-	226	275
Taxes & licenses						
Taxes, other	117	25	-	-	-	-
Taxes, property	-	1,291	-	144	-	793
Licenses & fees	-	-	333	1,064	-	-
Total Taxes & licenses	117	1,316	333	1,209	-	793
Telephone Expense	359	758	1,176	446	774	819
Uniforms	-	-	-	211	623	1,355
Utilities	2,615	2,380	3,184	1,191	2,264	753
Total Expense	48,638	46,469	49,099	52,019	54,234	60,944
Net Ordinary Income	7,572	1,439	(18,650)	(24,818)	(10,356)	26,798
Other Income/Expense						
Other Expense						
State income taxes	-	-	-	800	-	-
Total Other Expense	-	-	-	800	-	-
Net Other Income	-	-	-	(800)	-	-
Net Income	7,572	1,439	(18,650)	(25,618)	(10,356)	26,798

Critical Car Care, Inc.
Statement of Profit & Loss -Accrual Basis
For the period Jan 1, 2016-Oct 31, 2016

	Jul 16	Aug 16	Sep 16	Oct 16	TOTAL
Ordinary Income/Expense					
Income					
Sales					
Miscellaneous	884	807	1,013	954	17,102
Body Labor	37,718	43,030	32,181	33,564	315,263
Body Materials	781	541	756	386	5,258
Detail Labor	1,459	100	270	75	6,853
Discounts and Credits	-	-	-	-	(861)
Frame Labor	854	1,932	1,462	1,071	10,487
Gas, Oil and Greese	-	-	-	-	(169)
Glass Labor	240	24	216	-	1,099
Mechanical Labor	-	-	-	-	(1,054)
Paint Labor	13,483	21,346	18,784	18,260	171,893
Paint Materials	4,558	4,686	8,053	6,682	60,491
Parts	26,596	33,481	38,002	24,979	272,747
Returns & Allowances	159	-	-	54	(547)
Revenue	-	-	-	-	131,050
Shipping & Freight	-	-	-	-	(137)
Storage	900	-	1,260	1,440	5,885
Sublet	2,836	1,004	2,773	2,937	21,349
Towing	-	-	-	85	993
Sales - Other	1,257	991	3,744	(7,734)	3,114
Total Sales	91,724	107,943	108,514	82,753	1,020,815
Total Income	91,724	107,943	108,514	82,753	1,020,815
Cost of Goods Sold					
Body Supplies	9,503	11,127	10,979	14,963	104,422
Parts Purchases	21,534	20,277	21,212	13,395	197,428
Payroll Shop labor	22,962	18,154	14,156	17,122	205,306
Subcontracted Services	3,049	2,401	3,084	830	34,085
Total COGS	57,046	51,960	49,430	46,310	541,241
Gross Profit	34,677	55,983	59,084	36,443	479,574
Expense					
Charitable Contributions	-	1,000	-	-	1,000
Advertising and Promotion	1,413	1,160	1,934	854	14,173
Automobile Expense	357	204	237	300	2,148
Bank & Merchant Fees	875	808	781	593	8,429
Business Licenses and Permits	-	-	-	1,562	1,562
Computer and Internet Expenses	182	5,698	232	1,867	9,426
Depreciation Expense	665	665	665	-	5,981
Dues and Subscriptions	1,120	1,133	761	-	10,774
Equipment Rental/Lease	-	-	-	-	1,481

	Jul 16	Aug 16	Sep 16	Oct 16	TOTAL
Insurance Expense					
General Liability	1,437	1,437	7,666	-	14,935
Health	4,831	520	11,504	8,555	62,811
Life insurance	56	56	56	56	280
Worker's Comp	10,664	-	-	-	21,422
Insurance Expense - Other	-	-	-	-	168
Total Insurance Expense	16,988	2,013	19,227	8,611	99,616
Interest Expense	-	-	-	-	8,392
Meals and Entertainment	301	3	3	3	1,113
Medical	509	-	-	185	1,471
Office Expense	-	9	132	8	2,817
Office Supplies	366	333	54	81	2,404
Outside Services	692	4,405	5,079	6,237	26,178
Payroll Expenses					
Admin	11,211	8,124	6,722	8,962	76,363
Officer	5,242	7,863	5,057	3,591	38,255
Payroll Tax	14,107	4,803	8,795	7,373	108,176
Payroll Expenses - Other	-	-	88	356	527
Total Payroll Expenses	30,560	20,790	20,662	20,281	223,322
Professional Fees					
Accounting	-	5,400	1,500	-	8,225
Legal	-	-	-	-	236
Total Professional Fees	-	5,400	1,500	-	8,461
Reconciliation Discrepancies	-	-	-	-	-
Rent Expense	5,976	7,995	5,563	5,163	71,023
Repairs and Maintenance	-	-	572	1,903	2,617
Shop Expense	-	75	111	446	2,591
Small Tools and Equipment	-	1,308	107	-	2,466
Taxes & licenses					
Taxes, other	-	-	-	-	142
Taxes, property	-	-	-	2,614	4,843
Licenses & fees	90	110	-	-	1,597
Total Taxes & licenses	90	110	-	2,614	6,582
Telephone Expense	807	1,353	835	400	7,726
Uniforms	330	474	494	440	3,927
Utilities	1,602	3,381	1,770	1,551	20,691
Total Expense	62,831	58,317	60,719	53,101	546,370
Net Ordinary Income	(28,153)	(2,334)	(1,635)	(16,658)	(66,796)
Other Income/Expense					
Other Expense					
State income taxes	-	-	-	-	800
Total Other Expense	-	-	-	-	800
Net Other Income	-	-	-	-	(800)
Net Income	(28,153)	(2,334)	(1,635)	(16,658)	(67,596)

Exhibit “D”

Critical Car Care, Inc. Balance Sheet As of 12/31/16

	<u>Dec 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
sales tax wells fargo2787806617	74
Payroll Wells Fargo 2787806609	(6,316)
WFB General 7787436984	8,419
Mission Bank	969
Total Checking/Savings	<u>3,146</u>
Accounts Receivable	
Accounts Receivable	20,319
Total Accounts Receivable	<u>20,319</u>
Other Current Assets	
merchant card deposit	330
Inventory	21,560
Total Other Current Assets	<u>21,890</u>
Total Current Assets	<u>45,355</u>
Fixed Assets	
Fixed assets	326,345
Accumulated depreciation	(239,998)
Total Fixed Assets	<u>86,347</u>
TOTAL ASSETS	<u><u>131,702</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Post Petition Accounts Payable	28,632
Prepetition Accounts payable	45,263
Total Accounts Payable	<u>73,895</u>
Other Current Liabilities	
Customer deposits	11,305
Payroll tax Liability	(565)
cc 1008American Express	1,267
Officers Loan	2,500
freedom	76,288
Child Support	254
Sales Tax Payable	8,556
Total Other Current Liabilities	<u>99,605</u>
Total Current Liabilities	<u>173,500</u>
Total Liabilities	173,500
Equity	
Common stock	25,000
Paid in capital	531,470
Retained Earnings	(483,575)
Net Income	(114,694)
Total Equity	<u>(41,799)</u>
TOTAL LIABILITIES & EQUITY	<u><u>131,702</u></u>

Exhibit ‘E’

Critical Car Care, Inc.
Accounts Receivable
Effective 12/31/16

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
amara carpenter	0.00	0.00	69.66	0.00	0.00	69.66
andrea mock	0.00	0.00	213.37	0.00	0.00	213.37
Brian Griffith	0.00	0.00	0.00	0.00	3,302.50	3,302.50
CHP	0.00	826.03	0.00	0.00	0.00	826.03
christina stark	0.00	500.00	0.00	0.00	0.00	500.00
david young	0.00	500.00	0.00	0.00	0.00	500.00
Fox1	0.00	0.00	0.00	0.00	0.00	0.00
james uccellini	0.00	500.00	0.00	0.00	0.00	500.00
jeremeh job	0.00	100.00	0.00	0.00	0.00	100.00
jim deloof	0.00	575.50	0.00	0.00	0.00	575.50
jonathan allen	0.00	0.00	136.73	0.00	0.00	136.73
julie elipoulos	0.00	28.22	0.00	0.00	0.00	28.22
leslie daniels	0.00	3,246.33	0.00	0.00	0.00	3,246.33
megan schaefer	0.00	500.00	0.00	0.00	0.00	500.00
mo young	0.00	0.00	34.36	0.00	0.00	34.36
Muroc School District	0.00	0.00	0.00	0.00	2,971.49	2,971.49
Patrick Willis	0.00	-250.00	0.00	0.00	0.00	-250.00
paul mayfield	0.00	0.00	1,232.72	0.00	0.00	1,232.72
Rick Brewer	0.00	0.00	0.00	1,835.00	0.00	1,835.00
robert estrada	0.00	0.00	500.00	0.00	0.00	500.00
shawnee miller	0.00	0.00	-1,193.14	0.00	0.00	-1,193.14
tracy satterfield	0.00	500.00	0.00	0.00	0.00	500.00
tyler cowart	0.00	0.00	0.00	500.00	0.00	500.00
vince martin	0.00	3,190.12	0.00	0.00	0.00	3,190.12
wyatt waldron	0.00	0.00	0.00	500.00	0.00	500.00
TOTAL	0.00	10,216.20	993.70	2,835.00	6,273.99	20,318.89

Exhibit ‘F’

RV Shop

Critical Car Care
 Work In Progress Report
 Effective December 7, 2016

RO #	Customer Name	Vehical Type	Work Needed	Date In	% Compl.	Est. Completion Date	Est. Amount (\$)	Currently Billed	Remaining To Bill	Next Step	Parts to Buy	Notes
2947	Aaron Lecrone	Honda - CBR 600	Motorcycle	10/17/16	50%	Tuesday, December 06, 2016	\$3,758.00	\$3,758.00	\$0.00	Paint	None	Customer requested old parts be returned
2940	David Sanders	Freelander	RV - Front nose cap	10/20/16	50%	Friday, December 09, 2016	\$1,983.50	\$1,400.00	\$583.50	Receive Parts	Parts ordered, and conf. cust picked up.	Need to go get parts
2959	David Young	Ford - F450	Right fender	11/29/16	100%	Friday, December 02, 2016	\$386.84	\$0.00	\$386.84	Supp	Plywood	
2956	Dustin Gates	Warrior	Roof Repair	11/14/16	40%	Friday, December 09, 2016	\$500.00	\$0.00	\$500.00	Order Parts	None	
2939	Kinky	Train	3 x Panels	11/14/16	100%	Friday, December 02, 2016	\$732.00	\$0.00	\$732.00			
2900	Kinky	Train	2 car sets (70 panel)	11/17/16	100%	Various	\$112,000.00	\$18,700.00	\$93,300.00			
2937	Richard Cabral	Thor	Waranty	11/14/16	75%	Friday, December 16, 2016	\$554.07	\$0.00	\$554.07	Sup.	Ladder, sink	Order hardware
2911	Robert Estrada	Astoria	Body & Paint	9/19/16	20%	Monday, January 16, 2017	\$20,163.22	\$13,163.22	\$7,000.00	Body	See BOM	
2945	Glen Severjin	Alfa RV	Warranty Multi	11/2/16	75%	Tuesday, November 22, 2016	\$269.38	\$0.00	\$269.38	Sup.	order valve	install back up camera and valve
2549	Brian Griffin	Shelby Mustang	paint & body	5/3/16	75%	Friday, December 23, 2016	\$9,200.00	\$6,000.00	\$3,200.00	install glass & buff		
2419	Rick Brewer	Studebaker	Body work	5/9/16	45%	Friday, December 30, 2016	\$7,395.00	\$5,500.00	\$1,895.00	Body on Bed		
2602	James Espinoza	Ford F150	Floor	6/13/16	75%	Friday, December 23, 2016	\$2,870.23	\$1,200.00	\$1,670.23	Sup.		
2644	John Gregg	Rex Hall	work completed	11/18/16	100%	Thursday, December 08, 2016	\$12,995.45	\$12,460.45	\$475.00	work complete	ordered prts 12/5	parts delivered 12/15
2907	Wyatt Waldron	Weekend Warrior	Stripes	11/21/16	40%	Saturday, December 31, 2016	\$7,265.89	\$3,997.50	\$3,268.39	order stripes	cust to p/u Friday 12/8	
2960	Mike Mehr	Merc Sprinter Van	Replace holes	12/2/16	0%	Monday, January 09, 2017	\$10,290.00	\$5,150.00	\$5,140.00			
2955	Kinki	Train	single panel	12/1/16	100%	Friday, December 02, 2016	\$275.00	\$0.00	\$275.00			
2961	Leslie Daniels	Dutch Star	Rpr front nose panel	12/5/16	0%	Wednesday, December 28, 2016	\$3,391.50	\$0.00	\$3,391.50	front nose	order parts	
2962	James Uccellini	Big Country	Door and Step	12/5/16	0%	Tuesday, January 17, 2017	\$3,662.93	\$0.00	\$3,662.93	order parts	door,step,bezel,stripes	
2926	Vince Martin	Durango	shower,sink,plumbin	12/7/16	0%	Thursday, December 29, 2016	\$4,190.00	\$0.00	\$4,190.00			

Total RV Shop \$201,763.01 \$71,329.17 \$130,433.84
 Total Car Shop \$30,834.78
 Total Work In Progress \$161,268.62

RO #	Customer Name	Vehical Type	Work needed	Date In	% Compl.	Est. Completion Date	Est. Amt. (\$)
2783	Adam Stanfield	2016 Civic	Rear ended	11/16/16	50%	Friday, December 2, 2016	\$ 3,953.00
2797	Dina Ramirez	2013 Mercedes	Rear ended	11/26/16	50%	Wednesday, December 7, 2016	\$ 3,191.00
2777	Jermeh Job	2014 Cadillac	Keyed	11/26/16	90%	Thursday, December 15, 2016	\$ 3,191.00
2796	Christina Stark	2011 Camero	Side swiped	11/26/16	75%	Friday, December 16, 2016	\$ 4,061.00
2778	Micke Birds	2008 Corvette	total loss	11/16/16	100%	Friday, December 2, 2016	\$ 1,620.00
2781	Jim Deloof	2015 Ram	Rear and Front Ended	11/30/16	20%	Friday, December 30, 2016	\$ 9,684.78
2622	Mike Dickey	2012 Challenger	Hood replacement	12/6/16	0%	Friday, December 16, 2016	\$ 1,200.00
2764	John Hull	2016 Civic	sensor replacement	11/29/16	75%	Wednesday, December 7, 2016	\$ 1,750.00
2784	deponite	2004 Chevy Tahoe	front end	12/5/16	75%	Thursday, December 8, 2016	\$ 909.00
2785	deponite	honda crv	Rear ended	12/5/16	50%	Thursday, December 8, 2016	\$ 708.00
2787	troia	2003 toyota corolla	rear ended	12/5/16	25%	Monday, December 12, 2016	\$ 464.00
2788	Kieffe and sons	2016 ford focus	adjust door	12/5/16	75%	Thursday, December 8, 2016	\$ 103.00

RO #	Customer Name	Vehical Type	Currently Billed	Remaining To Bill	Next Step	Parts to Buy	Notes
2783	Adam Stanfield	2016 Civic		\$ 3,953.00	in body	none	
2797	Dina Ramirez	2013 Mercedes		\$ 3,191.00	ready	none	
2777	Jermeh Job	2014 Cadillac		\$ 3,191.00	assemble	none	
2796	Christina Stark	2011 Camero		\$ 4,061.00	in paint	none	
2778	Micke Birds	2008 Corvette		\$ 1,620.00	total	none	waiting for pick up
2781	Jim Deloof	2015 Ram		\$ 9,684.78	in body	none	
2622	Mike Dickey	2012 Challenger		\$ 1,200.00	cust to drop off	none	
2764	John Hull	2016 Civic		\$ 1,750.00	ready	none	
2784	deponite	2004 Chevy Tahoe		\$ 909.00	assemble	none	
2785	deponite	honda crv		\$ 708.00	in paint	none	
2787	troia	2003 toyota corolla		\$ 464.00	teardown	none	
2788	Kieffe and sons	2016 ford focus		\$ 103.00	adjust door	none	
				\$30,834.78			

Exhibit “G”

Fill in this information to identify the case:

Debtor name Critical Car Care, Inc.

United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA

Case number (if known) _____

Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

No. Go to Part 2.

Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

2. **Cash on hand**

\$500.00

3. **Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

**Citizens Business Bank
P.O. Box 3938
Ontario, CA 91761**

3.1. **(balance as of 10/31/16)**

Business Checking

6016

\$441.68

**Mission Bank
P.O. Box 317
Bakersfield, CA 93302-0317**

3.2. **(balance as of 10/31/16)**

Business Checking

0049

\$12,897.01

4. **Other cash equivalents (Identify all)**

5. **Total of Part 1.**

\$13,838.69

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

No. Go to Part 3.

Yes Fill in the information below.

7. **Deposits, including security deposits and utility deposits**

Debtor **Critical Car Care, Inc.** Case number (if known) _____
 Name

Description, including name of holder of deposit

7.1. **Lease security deposit** **\$12,000.00**

8. **Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**
 Description, including name of holder of prepayment

9. **Total of Part 2.** **\$12,000.00**
 Add lines 7 through 8. Copy the total to line 81.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- No. Go to Part 4.
 Yes Fill in the information below.

11. **Accounts receivable**

11a. 90 days old or less: 12,417.35 - 0.00 = \$12,417.35
 face amount doubtful or uncollectible accounts

11b. Over 90 days old: 5,098.24 - 0.00 = \$5,098.24
 face amount doubtful or uncollectible accounts

12. **Total of Part 3.** **\$17,515.59**
 Current value on lines 11a + 11b = line 12. Copy the total to line 82.

Part 4: Investments

13. Does the debtor own any investments?

- No. Go to Part 5.
 Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.
 Yes Fill in the information below.

	General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19.	Raw materials				
20.	Work in progress Work-In-Progress as of 11/11/16		\$0.00		\$155,813.84

21. **Finished goods, including goods held for resale**

22. **Other inventory or supplies**

Debtor Critical Car Care, Inc. Case number (if known) _____
 Name

23. **Total of Part 5.** \$155,813.84
 Add lines 19 through 22. Copy the total to line 84.

24. **Is any of the property listed in Part 5 perishable?**
 No
 Yes

25. **Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?**
 No
 Yes. Book value _____ Valuation method _____ Current Value _____

26. **Has any of the property listed in Part 5 been appraised by a professional within the last year?**
 No
 Yes

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. **Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?**

- No. Go to Part 7.
- Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. **Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?**

- No. Go to Part 8.
- Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39. Office furniture (4) Portable heaters, a washer, a dryer, (4) metal filing cabinets, (8) office chairs, (2) coffee pots, (2) clocks, (1) vacuum, (1) metal tool cabinet, (8) rolling tables, (2) adjustable racks, (1) industrial fan, (7) plastic trash cans and (2) microwaves (value based on Debtor's principal's opinion)	\$0.00	Liquidation	\$825.00

40. Office fixtures			
41. Office equipment, including all computer equipment and communication systems equipment and software (5) computers, (2) copy machines and (2) shredders (value based on Debtor's principal's opinion)	\$0.00	Liquidation	\$610.00

42. **Collectibles** *Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. **Total of Part 7.** \$1,435.00
 Add lines 39 through 42. Copy the total to line 86.

44. **Is a depreciation schedule available for any of the property listed in Part 7?**

Debtor Critical Car Care, Inc. Case number (if known) _____
 Name

- No
- Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- No
- Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- No. Go to Part 9.
- Yes Fill in the information below.

General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
48. Watercraft, trailers, motors, and related accessories <i>Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels</i>			
49. Aircraft and accessories			
50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment) 1988 Prime Mover model RR30C forklift in poor condition	\$0.00	Liquidation	\$300.00
(value based on Debtor's principal's opinion)			
Misc. supply stock, (2) cargo containers, (2) paint booths (one paint booth built in at each location - likely a fixture), (2) toners (one at each facility), (2) portable swamp coolers, (2) frame racks, (6) mobile racks, (4) 3-ton jacks, (2) bottle jacks, (2) battery chargers, (2) creepers, (2) detail carts, (1) cut-off saw, (2) pressure washer, (2) mig welder, (2) gas welders, (1) spot welder, (1) eye wash station, (2) ladders, (2) masking machines, (6) air hoses, (3) brooms, (3) stationary racks, (2) car lifts, (1) vice, (2) grinders, (5) electrical cords, (1) table saw, (1) metal bender, (4) gas cans and (1) band saw			
(value based on Debtor's principal's opinion)	\$0.00	Liquidation	\$8,990.00
Spray on bed liner machine			
(not functional because the machine needs a new gun - value based on Debtor's opinion)	\$0.00		\$300.00
(1) Robin air - air conditioner charger (outdated equipment)	\$0.00		\$0.00

Debtor **Critical Car Care, Inc.** Case number (if known) _____
 Name _____

51. **Total of Part 8.** \$9,590.00
 Add lines 47 through 50. Copy the total to line 87.

52. **Is a depreciation schedule available for any of the property listed in Part 8?**
 No
 Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**
 No
 Yes

Part 9: Real property

54. **Does the debtor own or lease any real property?**

- No. Go to Part 10.
- Yes Fill in the information below.

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property <small>Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.</small>	Nature and extent of debtor's interest in property	Net book value of debtor's interest <small>(Where available)</small>	Valuation method used for current value	Current value of debtor's interest
55.1. 5022 W. Columbia Way Lancaster, CA 93536 (Debtor leases this property from Debtor's President, David Stark)		\$0.00		\$0.00
55.2. 42615 8th Street West Lancaster, CA 93534 The lease is in the Debtor's President's name		\$0.00		\$0.00

56. **Total of Part 9.** \$0.00
 Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

57. **Is a depreciation schedule available for any of the property listed in Part 9?**
 No
 Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**
 No
 Yes

Part 10: Intangibles and intellectual property

59. **Does the debtor have any interests in intangibles or intellectual property?**

Debtor Critical Car Care, Inc. Case number (if known) _____
 Name

- No. Go to Part 11.
 Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60.	Patents, copyrights, trademarks, and trade secrets			
61.	Internet domain names and websites <u>criticalcarcareinc.com</u>	\$0.00		\$0.00
62.	Licenses, franchises, and royalties Antelope Valley Air Quality Mgmt. District Permit To Operate expires 5-31-17	\$0.00		\$0.00
	California State Board of Equalization Seller's Permit	\$0.00		\$0.00
	Bureau Of Automotive Repair License expires 4/30/17	\$0.00		\$0.00
	City of Lancaster Business License expires 1/31/17	\$0.00		\$0.00
63.	Customer lists, mailing lists, or other compilations			
64.	Other intangibles, or intellectual property			
65.	Goodwill			
66.	Total of Part 10. Add lines 60 through 65. Copy the total to line 89.			\$0.00
67.	Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
68.	Is there an amortization or other similar schedule available for any of the property listed in Part 10? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
69.	Has any of the property listed in Part 10 been appraised by a professional within the last year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?
 Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
 Yes Fill in the information below.

Debtor **Critical Car Care, Inc.** Case number (if known) _____
 Name

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$13,838.69</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$12,000.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$17,515.59</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$155,813.84</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$1,435.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$9,590.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<u>\$0.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$0.00</u>	
91. Total. Add lines 80 through 90 for each column	<u>\$210,193.12</u>	+ 91b. <u>\$0.00</u>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<u>\$210,193.12</u>

Exhibit "H"

4:03 PM
01/03/17

**Critical Car Care
A/P Aging Summary
As of December 31, 2016**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
Allied Insurance	3,280.39	0.00	0.00	0.00	0.00	3,280.39
Ameripride Services	40.78	265.38	75.78	0.00	0.00	381.94
AmTrust North American	18,733.00	0.00	0.00	0.00	0.00	18,733.00
Anthem Blue Cross	6,688.86	0.00	0.00	0.00	0.00	6,688.86
AV Auto Paints	2,208.33	738.76	0.00	0.00	0.00	2,947.09
CCC	0.00	858.93	0.00	0.00	0.00	858.93
Chevron	277.67	0.00	0.00	0.00	0.00	277.67
City of Lancaster	117.00	0.00	0.00	0.00	0.00	117.00
Clearwater Technicians	0.00	11.99	0.00	0.00	0.00	11.99
Collision Services	0.00	390.66	0.00	0.00	0.00	390.66
Hertz	0.00	517.58	0.00	0.00	0.00	517.58
La County Tax Collector	2,614.30	0.00	0.00	0.00	0.00	2,614.30
LA County Waterworks	207.93	0.00	0.00	0.00	0.00	207.93
Michael Pace Interactive	7,000.00	0.00	0.00	0.00	0.00	7,000.00
NAPA	0.00	26.45	0.00	0.00	0.00	26.45
NTP	0.00	1,304.00	0.00	0.00	0.00	1,304.00
PRR	0.00	249.02	0.00	0.00	0.00	249.02
QHMS, Inc.	163.00	0.00	0.00	0.00	0.00	163.00
Southern California Edison	880.59	0.00	0.00	0.00	0.00	880.59
Staples	0.00	481.24	0.00	0.00	0.00	481.24
The Gas Company	166.81	0.00	0.00	0.00	0.00	166.81
Van Dam	6.20	6.20	0.00	0.00	0.00	12.40
Yellow Pages	54.00	0.00	0.00	0.00	0.00	54.00
TOTAL	<u><u>42,438.86</u></u>	<u><u>4,850.21</u></u>	<u><u>75.78</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>47,364.85</u></u>

Exhibit ‘I’

Critical Car Care, Inc.
 Budget Vs. Actual Report
 11/15/16-12/17/16

	11/19/2016			11/26/2016				
	Budget	Actual	Difference	%	Budget	Actual	Difference	%
Revenue	27,000	21,613	(5,387)	-20%	27,000	8,370	(18,630)	-69%
COGS-Labor & Material	13,230	12,297	(933)	-7%	13,230	1,162	(12,068)	-91%
Gross Profit	13,770	9,316	(4,454)	-32%	13,770	7,208	(6,562)	-48%
Expenses								
Advertising	500		(500)	-100%			-	
Auto Expense -Fuel			-				-	
Bank / Merchant Fees			-		394	394		
Bookkeeping	1,000		(1,000)	-100%			-	
Insurance -Liab, Health & WC		100	100		91	91		
Interest Exp (Credit Cards)		1,224	1,224					
Payroll -Officers	3,550	2,538	(1,012)	-28%				
Payroll & PR Tax- Admin	9,000	9,982	982	11%				
Office & Admin Expenses			-		1,360			
Rent Expense			-					
Repairs & Maintenance	200		(200)	-100%				
Sales Tax			-		5,000		(5,000)	-100%
Shop Supplies & Small Tools	250		(250)	-100%				
Telephone and Utilities		805	805					
US Trustee Fees								
Total Expense	14,500	14,649	(149)		6,360	485	5,875	
Net Ordinary Income	(730)	(5,333)	(4,603)		7,410	6,723	687	
Beginning Cash as of 11/15/16	2,840							
Ending Cash	2,110	(2,493)			9,520	4,230		
Ending cash per book		(2,493)				4,230		

Critical Car Care, Inc.
 Budget Vs. Actual Report
 11/15/16-12/17/16

	12/3/2016			12/10/2016				
	Budget	Actual	Difference	%	Budget	Actual	Difference	%
Revenue	27,000	27,492	492	2%	27,000	15,025	(11,975)	-44%
COGS -Labor & Material	13,230	13,272	42	0%	13,230	9,179	(4,051)	-31%
Gross Profit	13,770	14,220	450	3%	13,770	5,846	(7,924)	-58%
Expenses								
Advertising	500	483	(17)	-3%		179	179	
Auto Expense -Fuel	300	220	(80)	-27%		-	-	
Bank / Merchant Fees		476	476		800	94	(706)	-88%
Bookkeeping	1,000		(1,000)	-100%		-	-	
Insurance -Liab, Health & WC	7,450	86	(7,364)	-99%	1,450		(1,450)	-100%
Interest Exp (Credit Cards)		-	-			-	-	
Payroll -Officers	3,550	2,420	(1,130)	-32%		-	-	
Payroll & PR Tax- Admin	9,000	9,439	439	5%		-	-	
Office & Admin Expenses	1,360		(1,360)			480	480	
Rent Expense			-		7,995	5,163	(2,832)	
Repairs & Maintenance	200	75	(125)	-63%		263	263	
Sales Tax			-			-	-	
Shop Supplies & Small Tools	250		(250)	-100%		103	103	
Telephone and Utilities		152	152		2,700	912	(1,788)	-66%
US Trustee Fees								
Total Expense	23,610	13,350	10,260		12,945	7,194	5,751	
Net Ordinary Income	(9,840)	870	(10,710)		825	(1,348)	2,173	
Beginning Cash as of 11/15/16	(320)	5,100			505	3,752		
Ending Cash		5,100				3,752		
Ending cash per book								

Critical Car Care, Inc.
 Budget Vs. Actual Report
 11/15/16-12/17/16

For the week ending:

	12/17/2016			Cumulative				
	Budget	Actual	Difference	%	Budget	Actual	Difference	%
Revenue	27,000	34,729	7,729	29%	135,000	107,230	(27,770)	-21%
COGS -Labor & Material	13,230	17,321	4,091	31%	66,150	53,231	(12,919)	-20%
Gross Profit	13,770	17,409	3,639	26%	68,850	53,999	(14,851)	-22%
Expenses								
Advertising	500	516	16	3%	1,500	1,178	(322)	-21%
Auto Expense -Fuel			-		300	220	(80)	-27%
Bank / Merchant Fees			-		800	963	163	20%
Bookkeeping	1,000		(1,000)	-100%	3,000	-	(3,000)	-100%
Insurance -Liab, Health & WC		1,177	1,177		8,900	1,455	(7,445)	-84%
Interest Exp (Credit Cards)			-		-	1,224	1,224	
Payroll -Officers	3,550	2,614	(936)	-26%	10,650	7,572	(3,078)	-29%
Payroll & PR Tax- Admin	9,000	9,716	716	8%	27,000	29,137	2,137	8%
Office & Admin Expenses	1,360	303	(1,057)		4,080	783	(1,937)	-47%
Rent Expense		2,832	2,832		7,995	7,995	(0)	0%
Repairs & Maintenance	200	346	146	73%	600	683	83	14%
Sales Tax			-		5,000	-	(5,000)	-100%
Shop Supplies & Small Tools	250	7	(243)	-97%	750	110	(640)	-85%
Telephone and Utilities		2,522	2,522		2,700	4,391	1,691	63%
US Trustee Fees					-	-	-	
Total Expense	15,860	20,032	(4,172)		73,275	55,710	(16,205)	
Net Ordinary Income	(2,090)	(2,624)	534		(4,425)	(1,712)	1,353	
Beginning Cash as of 11/15/16								
Ending Cash	(1,585)	1,128				1,128		
Ending cash per book		1,128				1,128		

Footnotes:

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- [a] Revenues are not consistent week to week. The fluctuation is typical, and is expected to continue. Payments are reliant on insurance companies and others whose payment terms vary, resulting in cash receipts which are inconsistent weekly.
- [b] Insurance expense was paid in the week ending 12/24, and will show up in next report.
- [c] Interest payment for credit card carrying prepetition debt. The account was on autopay, and payment was deducted from the account before the debtor canceled the auto pay. Will not recur.
- [d] Amount lower than budgeted due to gross amount budgeted, and net amount paid. Revised projection downward.
- [e] Amount higher than budgeted due to aggregate taxes paid, including Officers and Admin. When both line items are combined, the budget and actual amounts are virtually the same.
- [f] Telephone and utilities appear to be over budget, but when investigated we see the payments are made in the end of end of November. The budgeted amount is believed to be accurate and the cumulative column should reflect that after another month or so of payments.

Exhibit “J”

Last Name	Vehicle	Bid Number	Description	Data Received	Amount	Obtainment %	Notes
Bernosky	motorhome	371	frnt cap, bagdoor	Tuesday, December 13, 2016	\$1,654.00	25.00%	
AMR	ambulance	372	body side panels	Monday, November 7, 2016	\$1,344.00	100.00%	
STA	bus	373	l side & front	Thursday, December 22, 2016	\$12,278.00	50.00%	
Filter Sys	Hino	374	bumper/hood	Monday, November 28, 2016	\$1,613.25	25.00%	
Calandri	trailer	375	left front	Monday, January 2, 2017	\$1,094.00	85.00%	
AMR	ambulance	376	R qtr panel	Monday, January 2, 2017	\$1,199.00	75.00%	
STA	bus	377	misc repairs	Monday, November 14, 2016	\$9,972.00	25.00%	
STA	bus	378	L rear corner	Monday, October 17, 2016	\$396.00	30.00%	
STA	bus	379	L front window	Monday, October 17, 2016	\$680.00	30.00%	
STA	bus	380	L rr corner	Monday, October 17, 2016	\$615.00	30.00%	
STA	bus	381	L side center	Monday, October 17, 2016	\$615.00	30.00%	

\$31,460.25

Last Name	Vehicle	Bid Number	Description	Data Received	Amount	Obtainment %
JENSEN	14 OPTIMA	1	left front	Tuesday, November 29, 2016	\$2,899.79	30.00%
KONOVALOV	02 JETTA	2	rear end	Wednesday, November 30, 2016	\$5,227.30	55.00%
BEESLEY	13 TUNDRA	3	RT SIDE	Wednesday, November 30, 2016	\$4,827.95	60.00%
OWEN	89 BRONCO	4	RESTOR	Wednesday, November 30, 2016	\$10,138.67	5.00%
CACCIACARNE	14 TRAVERSE	5	WIND DOOR	Friday, December 2, 2016	\$2,656.42	35.00%
MCCABE	11 RANGEROVER	6	REAR END	Friday, December 2, 2016	\$924.05	100.00%
BARCENAS	06 PACIFICA	7	RT FRT	Monday, December 5, 2016	\$1,227.06	25.00%
TOMASULO	10 MAXIMA	8	left front	Tuesday, December 6, 2016	\$2,712.58	40.00%
RODRIGUEZ	11 CRV	9	BLACK OUT TAPE	Thursday, December 8, 2016	\$557.53	10.00%
CASTILLO	13 SONATA	10	LT SIDE	Sunday, December 11, 2016	\$1,686.33	25.00%
MARQUEZ	05 MERCEDES	11	REAR BUMPER	Tuesday, December 13, 2016	\$916.40	5.00%
GRISSOM	08 BEETLE	12	REAR BUMPER	Tuesday, December 13, 2016	\$1,583.64	65.00%
COSTA	08 IMPALA	13	LT FENDER	Thursday, December 15, 2016	\$1,275.86	5.00%
DEANE	10 CIVIC	14	REAR END	Thursday, December 15, 2016	\$2,393.03	25.00%
FRANDSEN	13 ALTIMA	15	RT SIDE	Thursday, December 15, 2016	\$2,777.94	100.00%
KERNEL	04 LEXUS	16	LT SIDE	Thursday, December 22, 2016	\$1,611.33	25.00%
GUEVARA	02 ACCORD	17	HEADLAMPS	Thursday, December 22, 2016	\$655.84	10.00%
SOON	97 RANGER	18	FRONT END/ BED	Monday, December 26, 2016	\$3,265.52	5.00%
BESTWICK	16 SUBARU	19	REAR BUMPER	Monday, December 26, 2016	\$1,170.81	25.00%
LUCCHINO	13 PRIUS	20	HOOD	Tuesday, December 27, 2016	\$1,638.83	15.00%
POTTERF	13 TRAVERSE	21	LIFTGATE	Tuesday, December 27, 2016	\$1,913.65	10.00%
EPLEY	03 350Z	22	FRONT BUMPER	Tuesday, December 27, 2016	\$1,365.99	5.00%
VAN LOON	10 RANGER	23	REAR END	Tuesday, December 27, 2016	\$1,693.37	25.00%
RODRIGUEZ	13 CADILLAC	24	LEFT SIDE	Tuesday, December 27, 2016	\$2,563.66	25.00%
KILANOSKI	07 HUMMER	25	LEFT SIDE	Wednesday, December 28, 2016	\$2,068.27	25.00%
PELAEZ	01 TACOMA	26	LEFT BEDSIDE	Wednesday, December 28, 2016	\$1,617.02	25.00%
PITTS	15 F250	27	LEFT BEDSIDE	Wednesday, December 28, 2016	\$943.58	75.00%
CONNOR	13 HONDA	28	RR BUMPER/MISC	Thursday, November 17, 2016	\$4,574.96	45.00%
TINDALL	08 PORCHE	29	R FENDER	Tuesday, January 3, 2017	\$535.76	75.00%
NOLASCO	94 NISSAN	30	L DOOR PANEL	Wednesday, January 4, 2017	\$1,992.00	50.00%
HERC	14 FORD	31	L DOOR/L FENDER	11/19/2016	\$1,664.77	40.00%

\$71,079.91