

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Daren M. Schlecter, Esq. (SBN 259537) Rachel S. Milman, Esq., Of Counsel (SBN 260947) Law Office of Daren M. Schlecter, A Prof. Corp. 1925 Century Park East, Suite 830 Los Angeles, CA 90067 Telephone (310) 553-5747 Telecopier (310) 553-5487</p> <p>Attorney for Debtor USA Sales, Inc.</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for.</p>	<p>FOR COURT USE ONLY</p>
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</p>	
<p>In re: USA SALES, INC.</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 6:16-bk-14576-MW CHAPTER: 11</p> <p style="text-align: center;">NOTICE OF MOTION AND MOTION IN INDIVIDUAL CHAPTER 11 CASE FOR ORDER AUTHORIZING USE OF CASH COLLATERAL [11 U.S.C. § 363]</p> <p>This motion is being made under <u>ONLY ONE</u> of the following notice procedures:</p> <p><input type="checkbox"/> Hearing requested on emergency basis: LBR 9075-1(a); or <input type="checkbox"/> Hearing requested on shortened notice: LBR 9075-1(b); or <input checked="" type="checkbox"/> Hearing set on regular notice: LBR 9013-1(d):</p> <p>DATE: 01/17/2017 TIME: 2:00 p.m. COURTROOM: 6C ADDRESS: 411 West Fourth Street, Suite 6135 / Courtroom 6C, Santa Ana, CA 92701-4593 (OR RIVERSIDE VIDEO ROOM)</p>

- PLEASE TAKE NOTICE THAT** the Debtor moves this court for an order authorizing the use of cash collateral

on an interim basis through and including (date) _____.

through the date of confirmation of a chapter 11 plan or dismissal of this case.
- NOTICE PROVISIONS AND DEADLINES FOR FILING AND SERVING A WRITTEN RESPONSE:** Your rights might be affected by this Motion. You may want to consult an attorney. Refer to the box checked below for the deadline to file and serve a written response. If you fail to timely file and serve a written response, the court may treat such failure as consent to the relief sought in the Motion and may grant the requested relief. You must serve a copy of your opposition upon the Debtor, the Debtor's attorney, the United States trustee, and also serve a copy on the judge assigned to this bankruptcy case pursuant to LBR 5005-2(d) and the Court Manual.

This form is optional. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

- a. **Hearing Requested on Emergency Basis under LBR 9075-1(a):** The Debtor has contacted the court and requested an emergency hearing on less than 48 hours notice. If the court grants the request, you will receive a separate Notice of Hearing that identifies the deadline for you to file and serve a written response. If the court denies the request to set an emergency hearing, the Debtor will provide written notice of a hearing date on regular notice or other disposition of this Motion and the deadline for filing an opposition.
- b. **Hearing Requested on Shortened Notice under LBR 9075-1(b):** The Debtor has filed a separate application asking the court to set a hearing on shortened notice, entitled Application for Order Setting Hearing on Shortened Notice (Application). If the court grants the Application, the Debtor will serve you with another document providing notice. The deadline to file and serve a written response will be contained in this document. If the court denies the Application, the Debtor will provide written notice of a regular hearing date or other proposed disposition of this Motion.
- c. **Hearing Set on Regular Notice: Notice Provided Under LBR 9013-1(d):** This Motion is set for hearing on regular notice pursuant to LBR 9013-1(d). The full Motion and supporting documentation are attached, including the legal and factual grounds upon which the Motion is made. If you wish to oppose this Motion, you must file a written response with the court and serve it as stated above **no later than 14 days prior to the hearing**. Your response must comply with LBR 9013-1(f). The undersigned hereby verifies that the hearing date and time selected were available for this type of Motion according to the judge's self-calendaring procedures [LBR 9013-1(b)].
- d. **Other (specify):**

Date: 12/21/2016

By: Daren M. Schlecter, Esq.
 Signature of Debtor or attorney for Debtor

Name: Daren M. Schlecter
 Printed name of Debtor or attorney for Debtor

MOTION FOR ORDER AUTHORIZING USE OF CASH COLLATERAL

1. Cash collateral is defined in 11 U.S.C. § 363 (Cash Collateral).
2. Pursuant to 11 U.S.C. § 363(c)(2), a debtor cannot use Cash Collateral without court approval or the consent of a creditor with an interest in the Cash Collateral.
3. The Debtor filed this Motion because he/she requires the use of what a creditor or lienholder may claim to be Cash Collateral.
4. The Debtor in this case filed a voluntary petition. The court has jurisdiction to grant the relief requested in this motion pursuant to 28 U.S.C. § 157 and 11 U.S.C. § 363.
5. The Debtor believes that the use of Cash Collateral is necessary for the Debtor to continue the Debtor's operations and to reorganize.
6. The Debtor believes that adequate protection is is not required by law in this case. **To the extent that the Debtor believes that adequate protection is not required by law under the circumstances of this case, a Memorandum of Points and Authorities is attached hereto addressing that issue.**
7. Information about each real or personal property owned by the Debtor in which someone may claim a Cash Collateral interest and for which the Debtor seeks court permission to use Cash Collateral, and the Debtor's proposed budget with respect to each such property, is set forth below:

a. Collateral and budget #1 (check all that apply):

(1) The collateral (Collateral)

Real Property

Street address:

Unit/suite no.:

City, state, zip code:

Legal description or document recording number (*include county of recording*):

Equipment (*manufacturer, type, and characteristics*):

Serial number(s):

Location:

Vehicle (*year, manufacturer, type and model*):

Vehicle identification number:

Location of vehicle:

Rents or accounts receivable (*type, identifying information, and location*):

Cash on hand generated from the Collateral (*type, identifying information, and location*):

Other personal property (*type, identifying information, and location*):

Inventory = \$2,940,788 as of 10/31/16, including proceeds from the sale thereof

This form is optional. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

(2) Value of Collateral: \$ 2,940,788.00

- Declaration of the Debtor as owner of the Collateral.
 Declaration of (specify)

(3) Income/rent generated: \$ 13,035.00 per month

(4) Liens:

1st Lien holder: Hirani

Principal balance due: \$ 535,000.00

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____

Postpetition arrears \$ _____

2nd Lien holder: _____

Principal balance due: \$ _____

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____

Postpetition arrears \$ _____

3rd Lien holder: _____

Principal balance due: \$ _____

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____

Postpetition arrears \$ _____

Additional liens (see additional attached page)

(5) Equity in the Collateral: \$ 2,405,788.00

(6) Adequate Protection

The Debtor offers:

- (a) the equity in the Collateral above each respective lien.
(b) the maintenance of the property.
(c) payments in the following amounts to the following creditors:

(d) the use or sale of the Cash Collateral which will generate more collateral (Replacement Collateral) each month, and the Debtor offers a lien in the Replacement Collateral.

(e) other:

The parties have executed a separate Settlement Agreement granting Creditor an allowed secured claim and the making of pre-confirmation payments, which shall be the subject of a separate 9019 Settlement Motion. Thus, the pre-confirmation payments under the Settlement Agreement are the equivalent of adequate protection payments and Creditor has consented as such.

- (7) Proposed Monthly Budget covering period of _____ through _____ or through the date of confirmation of a chapter 11 plan or dismissal of this case (or check the box if a Proposed Budget is attached as an exhibit) and as Stated in attached Cash Collateral Stipulation, which is attached and marked as Exhibit "C" and incorporated by reference.

INCOME:

Rent: \$ _____
 Sales: \$ _____
 Other: \$ _____

Total Income: \$ 0.00

EXPENSES:

1st Lien holder: \$ _____
 2nd Lien holder: \$ _____
 3rd Lien holder: \$ _____
 4th Lien holder: \$ _____
 Property taxes: \$ _____
 included in first lien holder payment
 Property insurance: \$ _____
 included in first lien holder payment
 Maintenance: \$ _____
 Cleaning: \$ _____
 Pest control: \$ _____
 Landscaping: \$ _____
 Management: \$ _____
 Electricity: \$ _____
 Gas: \$ _____
 Water: \$ _____
 Trash disposal: \$ _____
 Supplies: \$ _____
 Advertising: \$ _____
 Other: \$ _____
 Other: \$ _____
 Other: \$ _____
 Other: \$ _____

Total Expenses: \$ 0.00
 Net Income: \$ 0.00

b. Collateral and budget #2 (check all that apply):

- (1) The collateral (Collateral)

Real Property

Street address:

Unit/suite no.:

City, state, zip code:

Legal description or document recording number (include county of recording):

Equipment (manufacturer, type, and characteristics):

Serial number(s):

Location:

Vehicle (year, manufacturer, type and model):

Vehicle identification number:

Location of vehicle:

Rents or accounts receivable (type, identifying information, and location):

Cash on hand generated from the Collateral (type, identifying information, and location):

Other personal property (type, identifying information, and location):

(2) Value of Collateral: \$_____. Basis of valuation:

(3) Income/rent generated: \$_____ per month.

(4) Liens:

1st Lien holder: _____	Principal balance due: \$ _____
Monthly payment: \$ _____	Monthly payment due date: _____
Prepetition arrears: \$ _____	Postpetition arrears \$ _____

2nd Lien holder: _____	Principal balance due: \$ _____
Monthly payment: \$ _____	Monthly payment due date: _____
Prepetition arrears: \$ _____	Postpetition arrears \$ _____

3rd Lien holder: _____	Principal balance due: \$ _____
Monthly payment: \$ _____	Monthly payment due date: _____
Prepetition arrears: \$ _____	Postpetition arrears \$ _____

Additional liens (see additional attached page)

(5) Equity in the Collateral: \$_____

(6) Adequate Protection

The Debtor offers:

- (a) the equity in the Collateral.
- (b) the maintenance of the property as adequate protection.
- (c) payments in the following amounts to the following creditors:

- (d) the use or sale of the Cash Collateral generates more collateral (Replacement Collateral) each month, and the Debtor offers a lien in the Replacement Collateral.
- (e) other:

(7) Proposed Monthly Budget Covering Period of _____ through _____ or through the date of confirmation of a chapter 11 plan or dismissal of this case (or check the box if a Proposed Budget is attached as an exhibit .

INCOME:

Rent: \$ _____
 Sales: \$ _____
 Other: \$ _____

Total Income: \$ 0.00

EXPENSES:

1st Lien holder: \$ _____
 2nd Lien holder: \$ _____
 3rd Lien holder: \$ _____
 4th Lien holder: \$ _____
 Property taxes: \$ _____
 included in first lien holder payment
 Property insurance: \$ _____
 included in first lien holder payment
 Maintenance: \$ _____
 Cleaning: \$ _____
 Pest control: \$ _____
 Landscaping: \$ _____
 Management: \$ _____
 Electricity: \$ _____
 Gas: \$ _____
 Water: \$ _____
 Trash disposal: \$ _____
 Supplies: \$ _____
 Advertising: \$ _____
 Other: \$ _____
 Other: \$ _____
 Other: \$ _____
 Other: \$ _____

Total Expenses: \$ 0.00
 Net Income: \$ 0.00

c. Collateral and budget #3 (check all that apply):

(1) Type of Collateral

Real Property

Street address:

Unit/suite no.:

City, state, zip code:

Legal description or document recording number (include county of recording):

Equipment (manufacturer, type, and characteristics):

Serial number(s):

Location:

Vehicle (year, manufacturer, type and model):

Vehicle identification number:

Location of vehicle:

Rents or accounts receivable (type, identifying information, and location):

Cash on hand generated from the Collateral (type, identifying information, and location):

Other personal property (describe type, identifying information, and location):

(2) Value of collateral: \$ _____ . Basis of valuation:

(3) Income/rent generated: \$ _____ per month.

(4) Liens:

1st Lien holder: _____

Principal balance due: \$ _____

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____

Postpetition arrears \$ _____

2nd Lien holder: _____

Principal balance due: \$ _____

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____ Postpetition arrears \$ _____

3rd Lien holder: _____

Principal balance due: \$ _____

Monthly payment: \$ _____

Monthly payment due date: _____

Prepetition arrears: \$ _____ Postpetition arrears \$ _____

Additional liens (see additional attached page)

(5) Equity in the Collateral: \$ _____

(6) Adequate Protection

The Debtor offers:

- (a) the equity in the Collateral.
 - (b) the maintenance of the property as adequate protection.
 - (c) payments in the following amounts to the following creditors:
 - (d) the use or sale of the Cash Collateral generates more collateral (Replacement Collateral) each month, and the Debtor offers a lien in the Replacement Collateral.
 - (e) other:
- (7) Proposed Monthly Budget Covering Period of _____ through _____ or through the date of confirmation of a chapter 11 plan or dismissal of this case (or check the box if a Proposed Budget is attached as an exhibit .

INCOME:

Rent: \$ _____
Sales: \$ _____
Other: \$ _____

Total Income: \$ 0.00

EXPENSES:

1st Lien holder: \$ _____
2nd Lien holder: \$ _____
3rd Lien holder: \$ _____
4th Lien holder: \$ _____
Property taxes: \$ _____
 included in first lien holder payment
Property insurance: \$ _____
 included in first lien holder payment
Maintenance: \$ _____
Cleaning: \$ _____
Pest control: \$ _____
Landscaping: \$ _____
Management: \$ _____
Electricity: \$ _____
Gas: \$ _____
Water: \$ _____
Trash Disposal: \$ _____
Supplies: \$ _____
Advertising: \$ _____
Other: \$ _____
Other: \$ _____
Other: \$ _____
Other: \$ _____

Total Expenses: \$ 0.00
Net Income: \$ 0.00

8. In addition to the expenses set forth in the proposed budget(s), the Debtor requests :
- a. to use Cash Collateral to pay quarterly fees to the United States trustee and to pay any required fees to the court;
 - b. to deviate from the line item expenses in the proposed budget(s) by no more than 10 percent on both a line item and aggregate basis without the need to seek further order of the court;
 - c. as some expenses, such as insurance, may not be required to be paid every month, to the extent that the amount allotted to a particular expense in a particular month is not used during that month, the Debtor requests permission to use that unused amount in subsequent months in payment of that particular expense for the duration of the period in which the Debtor is granted the use of Cash Collateral.
9. Other than as indicated herein, use of Cash Collateral is not intended to modify the rights of affected lienholders pursuant to the existing agreement between the lienholder(s) and the Debtor.

The Debtor requests that the court allow the use of the Cash Collateral pursuant to the terms of this Motion, the attached Memorandum of Points and Authorities (if any), and the proposed budget(s).

Date: 12/21/2016

By: /s/ Daren M. Schlecter
 Signature of Debtor or attorney for Debtor

Name: Daren M. Schlecter, Esq.
 Printed name of Debtor or attorney for Debtor

**DECLARATION OF DEBTOR IN SUPPORT OF
MOTION FOR ORDER AUTHORIZING USE OF CASH COLLATERAL**

I, Zishan Ali, General Manager, declare:

1. I am the Debtor in this bankruptcy case.
2. The facts asserted in this declaration are of my own personal knowledge.
3. I am the owner of the Collateral.
4. The use of Cash Collateral is necessary in this case because:
 - a. Continue Debtor's ordinary course/day to day operations;
 - b. The parties have entered into a Settlement Agreement to resolve among other things, Creditor's filed proof of claim and rights arising thereto and enter into this Cash Collateral Stipulation pursuant to said Settlement Agreement.
5. The value of the Collateral, the amounts of the claims secured by the respective liens thereon, and the equity in the Collateral, in Exhibits A are true and correct.
6. To the extent that adequate protection is offered and/or required, I offer the forms of adequate protection indicated in the Motion.
7. The income and expenses listed in the proposed budget(s) are true and correct.
8. I propose to use Cash Collateral pursuant to the terms of the Motion, any Memorandum of Points and Authorities attached to the Motion, and the proposed budget(s).

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

12/21/2016

Date

Zishan Ali

Printed Name

/s/ Zishan Ali

Signature

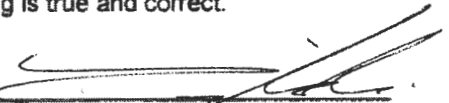


EXHIBIT “A”

X. BALANCE SHEET (FROM MOR 6, 10/31/2016)
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:		
Unrestricted Cash	142,420	
Restricted Cash		
Accounts Receivable		
Inventory	2,940,788	
Notes Receivable		
Prepaid Expenses	14,224	
Other (Itemize)	183,019	
Total Current Assets		3,280,451
Property, Plant, and Equipment	185,129	
Accumulated Depreciation/Depletion	(91,702)	
Net Property, Plant, and Equipment		93,427
Other Assets (Net of Amortization):		
Due from Insiders		
Other = Organization Cost, net	783	
Total Other Assets		783
TOTAL ASSETS		3,374,661
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable	254,878	
Taxes Payable	0	
Notes Payable		
Professional fees	11,123	
Secured Debt		
Other = Accrued Payroll	15,921	
Total Post-petition Liabilities		281,921
Pre-petition Liabilities:		
Secured Liabilities	49,095	
Priority Liabilities		
Unsecured Liabilities [a]	1,646,127	
Other (Itemize)		
Total Pre-petition Liabilities		1,695,222
TOTAL LIABILITIES		1,977,143
EQUITY:		
Pre-petition Owners' Equity	1,384,305	
Post-petition Profit/(Loss)	13,213	
Direct Charges to Equity		
TOTAL EQUITY		1,397,518
TOTAL LIABILITIES & EQUITY		3,374,661

[a] - Based on amounts as set forth in the Debtor's Schedules.

EXHIBIT “C”

1 Daren M. Schlecter, Esq. (SBN 259537)
Rachel S. Milman, Esq., Of Counsel (SBN 260947)
2 Law Office of Daren M. Schlecter, A Prof. Corp.
1925 Century Park East, Suite 830
3 Los Angeles, CA 90067
Telephone (310) 553-5747
4 Telecopier (310) 553-5487

5 Attorneys for Debtors and
Debtors in Possession
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9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 RIVERSIDE DIVISION

12 In re:

13 USA Sales, Inc. dba Statewide Distributors,
14 Debtor and Debtor in Possession
15
16
17
18

Case No. 6:16-bk-14576-MW

Chapter 11

**STIPULATION BETWEEN DEBTOR
AND ZEENAT HIRANI RE: DEBTOR'S
USE OF CASH COLLATERAL
PURSUANT TO FED. R. BANKRUPTCY**

Hearing

Date: January 17, 2017

Time: 2:00 p.m.

Courtroom: 411 West Fourth Street, Suite
6135 / Courtroom 6C, Santa Ana, CA 92701-
4593 (OR RIVERSIDE COURT ROOM 225)

Judge: Hon. Mark Wallace

22
23
24 USA Sales, Inc. Debtor and Debtor in Possession in the above captioned chapter 11 case

25 (hereafter the "Debtor") hereby submits this stipulation re: Debtor's use of cash collateral (the
26 "Stipulation") and respectfully represents:
27
28

STIPULATION

RECITALS

A. On May 20, 2016 (the "Petition Date"), the Debtor commenced its reorganization case by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor continues to operate as Debtor-In-Possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. Creditor Zeenat Hirani ("Hirani") asserts an interest in the Debtor's cash collateral by virtue of a promissory note and UCC-1 Lien.

NOW, THEREFORE, IT IS HEREBY STIPULATED BETWEEN THE PARTIES

AS FOLLOWS:

1. Subject to the terms and conditions herein, for the purpose of funding the necessary expenses of the Debtor's business in the ordinary course of its operations, the Debtor is authorized, but not directed, to use cash collateral (the "Cash Collateral") in which Hirani may assert an interest in, during the period from May 20, 2016 through December 31, 2017, or the date of confirmation of a chapter 11 plan, whichever is earlier, in accordance with the budget (the "Budget") attached hereto as Exhibit "B". The Debtor shall be permitted to exceed the disbursements forecasted in the Budget by up to 15% on a line-by-line basis and to exceed aggregate disbursements forecasted in the Budget by a total of 10% during the period from May 20, 2016 through December 31, 2017, or the date of confirmation of a chapter 11 plan, whichever is earlier,
2. To the extent cash collateral is used by the Debtor, Hirani shall receive valid and perfected replacement liens pursuant to sections 361 and 363(e) in all prepetition and

1 postpetition assets in which and to the extent the Debtor holds an interest, whether tangible or
2 intangible, whether by contract or operation of law, and including all inventory and proceeds
3 thereof, except such replacement liens will exclude any actions to recover property under
4 Chapter 5 of the Bankruptcy Code or the proceeds of such actions. Such replacement liens shall
5 be senior in priority to any and all prepetition and postpetition claims, rights, liens and interests,
6 but subject only to any lien or security interest that is valid, perfected and senior to the interest of
7 Hirani effective as of the Petition Date and not otherwise avoided and preserved under section
8 551. The replacement liens shall be perfected by operation of law and this order, and Hirani
9 shall not be required to file a financing statement or other documents in any jurisdiction or to
10 take any other action in order to validate or perfect the replacement liens affirmed and granted
11 under this Order.
12

13
14 3. The Debtor is only authorized to use cash collateral as set forth herein so far as it makes
15 the monthly payments under the separately executed Settlement Agreement entered into between
16 Debtor and Hirani.

17
18 4. Nothing in this Stipulation reflects a determination as to the extent, validity, or priority of
19 Hirani's liens.

20 5. No costs or expenses of administration incurred by Debtor shall be charged against
21 Hirani or its collateral pursuant to sections 105, 506(c), 552(b) (with respect to the Court's
22 ability to order otherwise as provided in such section), or any similar principle of law, without
23 the prior written consent of Hirani, and no such consent shall be implied from any other action,
24 inaction or acquiescence by Hirani.
25

26 6. Debtor and Hirani shall confer in good faith to extend or modify the terms of this
27 Stipulation, prior to its expiration.
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LAW OFFICE OF DAREN M. SCHLECTER

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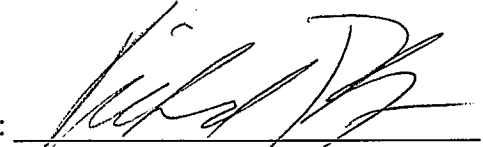
Dated: December __, 2016

By: _____
Daren M. Schlecter, Esq.
Attorney For Debtor-In-Possession

AGREED TO BY:

LAW OFFICE OF RICHARD T. BAUM

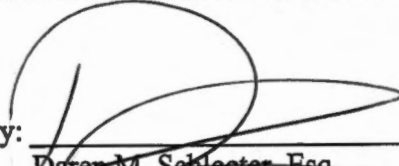
Dated: December 20, 2016

By: 
Richard T. Baum, Esq.
Attorney For Secured Creditor
Zeenat Hirani

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LAW OFFICE OF DAREN M. SCHLECTER

Dated: December 21, 2016

By: 
Daren M. Schlecter, Esq.
Attorney For Debtor-In-Possession

AGREED TO BY:

LAW OFFICE OF RICHARD T. BAUM

Dated: December 20, 2016

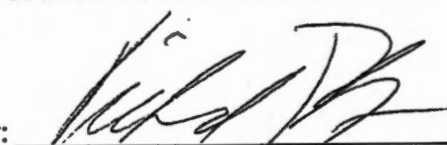
By: 
Richard T. Baum, Esq.
Attorney For Secured Creditor
Zeenat Hirani

EXHIBIT “B”

In re: USA Sales, Inc. 6:16-bk-14576-MW
Monthly Cash Flow Projection

	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Projected Total	
Cash Receipts															
Customer Collections (incl taxes)	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	3,782,020	49,166,266	99.4%
Vendor Rebates	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	23,487	305,337	0.6%
Total Receipts	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	3,805,508	49,471,603	100.0%
Disbursements															
Inventory Purchases (incl taxes)	(3,870,989)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(3,686,124)	(48,104,479)	-97.2%
Payroll & Taxes	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(45,389)	(590,053)	-1.2%
Rent	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(12,522)	(162,786)	-0.3%
Equipment Leases	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(1,877)	(24,400)	0.0%
Insurance (Auto, GL, WC)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(5,253)	(68,290)	-0.1%
Utilities & Phone	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(2,099)	(27,289)	-0.1%
Marketing Expenses	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(5,460)	(70,986)	-0.1%
Delivery Expense	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(5,588)	(72,639)	-0.1%
Travel & Entertainment	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(1,162)	(15,106)	0.0%
Auto Expenses	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(3,074)	(39,957)	-0.1%
Bank Fees	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(3,471)	(45,123)	-0.1%
Taxes & Licenses	(121)	(121)	(8,315)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(9,770)	0.0%
Outside Services	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(2,512)	(32,652)	-0.1%
Other General & Administrative	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(3,488)	(45,347)	-0.1%
Total Operating Disbursements	(3,963,004)	(3,778,140)	(3,786,334)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(3,778,140)	(49,308,877)	-99.7%
Operating Cash Flows	(157,496)	27,368	19,174	27,368	27,368	27,368	27,368	27,368	27,368	27,368	27,368	27,368	27,368	162,726	0.3%
Settlement Payments to Hirani	0	0	0	(50,000)	0	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(114,000)	-0.2%
Debtor's Counsel	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(65,000)	-0.1%
Debtor's Financial Advisors	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(65,000)	-0.1%
U.S. Trustee Fees	0	(13,000)	0	0	(13,000)	0	0	(13,000)	0	0	(13,000)	0	0	(52,000)	-0.1%
Restructuring Disbursements	(10,000)	(23,000)	(10,000)	(60,000)	(23,000)	(18,000)	(18,000)	(31,000)	(18,000)	(18,000)	(31,000)	(18,000)	(18,000)	(296,000)	-100.5%
Net Cash Flows	(167,496)	4,368	9,174	(32,632)	4,368	9,368	9,368	(3,632)	9,368	9,368	(3,632)	9,368	9,368	(133,274)	-0.3%
Beginning Cash	379,841	212,344	216,712	225,886	193,254	197,623	206,991	216,359	212,727	222,095	231,463	227,831	237,199	379,841	
Ending Cash	212,344	216,712	225,886	193,254	197,623	206,991	216,359	212,727	222,095	231,463	227,831	237,199	246,567	246,567	

Note: Projected amounts are based on recent run rates for each category shown above

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
1925 Century Park East, Suite 830, LA CA 90067

A true and correct copy of the foregoing document entitled: **NOTICE OF MOTION AND MOTION IN INDIVIDUAL CHAPTER 11 CASE FOR ORDER AUTHORIZING USE OF CASH COLLATERAL [11 U.S.C. § 363]** 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:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 12/21/2016, 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:
Richard T Baum on behalf of Creditor Zeenat Hirani, rickbaum@hotmail.com, rickbaum@ecf.inforupcty.com, Abram Feuerstein, esq on behalf of U.S. Trustee United States Trustee (RS) abram.s.feuerstein@usdoj.gov, Scott D Fink on behalf of Interested Party Courtesy NEF, brodellect@weltman.com, Everett L Green on behalf of U.S. Trustee United States Trustee (RS), everett.l.green@usdoj.gov, Joan Huh on behalf of Creditor STATE BOARD OF EQUALIZATION joan.huh@boe.ca.gov, David W. Meadows on behalf of Mediator Mediator, david@davidwmeadowslaw.com, Rachel S Milman Esq on behalf of Debtor USA Sales, Inc., rachelsmilman@gmail.com, markgoodfriend@yahoo.com, David W Reimann on behalf of Creditor Mico Archibald Partners LLC, dreimann@reimannlawgroup.com, Daren M Schlecter on behalf of Accountant M. Zubair Rawda, CPA, daren@schlechterlaw.com, assistant@schlechterlaw.com, Daren M Schlecter on behalf of Debtor USA Sales, Inc., daren@schlechterlaw.com, assistant@schlechterlaw.com, Daren M Schlecter on behalf of Financial Advisor BSW & ASSOCIATES, daren@schlechterlaw.com, assistant@schlechterlaw.com, United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (date) 12/21/2016, I served the following persons and/or entities at the last known addresses in this 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.

Judge Mark Wallace
United States Bankruptcy Court
411 West Fourth Street, Suite 6135 / Courtroom 6C
Santa Ana, CA 92701-4593

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail 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.

Service information continued on attached page

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

12/21/2016

Date

Daren M. Schlecter

Printed Name

/s/ Daren M. Schlecter

Signature

This form is optional. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

In re: USA Sales, Inc.	Debtor(s).	CHAPTER 11 CASE NUMBER 6:16-bk-14576
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Creditors Listed on Petition

Ally
P.O. Box 78234
Phoenix, AZ 85062-8234

Ally
P.O. Box 78234
Phoenix, AZ 85062

American Express
Box 0001
Los Angeles, CA 90096-8000

Bank of America
P.O. Box 15796
Wilmington, DE 19884-5796

Brian Weiss
BSW & Associates
20321 Birch Street
Newport Beach, CA 92660

Cal. State Board of Equalization
Appeals Division
P.O. Box 942879
Sacramento, CA 94279-0087

Cal. State Board of Equalization
Account Information Group, MIC:29
P.O. Box 942879
Sacramento, CA 94279

Chase
P.O. Box 15123
Wilmington, DE 19850

Discover
P.O. Box 6103
Carol Stream, IL 60197-6103

Special Notice

Creditor Mico Archibald Partners, LLC
David W. Reimann
The Reimann Law Group
1960 East Grand Avenue, Suite 1165
El Segundo, CA 90245

In re: USA Sales, Inc.	Debtor(s).	CHAPTER 11 CASE NUMBER 6:16-bk-14576
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Employment Development Department
Bankruptcy Group MIC 92E
P. O. Box 826880
Sacramento, CA 94280

Estate of Kabir Ali
c/o USA Sales, Inc.
2631 Lindsay Privado Dr.
Ontario, CA 91761

Franchise Tax Board
Attention: Bankruptcy
P. O. Box 2952
Sacramento, CA 95812

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

Leaf Financial
One Commerce Square
15th Floor
Philadelphia, PA 19103

McClellan Davis, LLC
508 Gibson Dr #120
Roseville, CA 95678

MICO Archibald Partners, LLC
13191 CROSSROADS PKWY N 6TH FL
La Puente, CA 91746

Robin Harrison
Campbell Harrison & Dagley LLP
4000 Two Houston Center
909 Fannin
Houston, TX 77010

San Bernardino Tax Collector
268 West Hospitality Lane
First Floor
San Bernardino, CA 92415

Securities & Exchange Commission
444 South Flower Street, Suite 900
Los Angeles, CA 90071

Toyota Financial
P.O. Box 5855
Carol Stream, IL 60197-5855

Toyota Financial

In re: USA Sales, Inc.	Debtor(s).	CHAPTER 11 CASE NUMBER 6:16-bk-14576
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P.O. Box 4102
Carol Stream, IL 60197-4102

US Banc
1101 California Ave # 100
Corona, CA 92881

Zeenat Hirani
c/o Richard T. Baum
11500 West Olympic Blvd
Suite 400
Los Angeles, CA 90064

Additional Service:

By Email as Indicated, Return Receipt, Delivery Confirmed

Super Glory Distribution Inc.
5982 Edmond Street
Las Vegas, NV 89118

Email: vanessa.superglory@gmail.com

Crown Distributing
2861 Congressman Lane
Dallas, TX 75220

Email: sameer@globaltobaccolc.com

Jt International
910 Sylvan Ave
Englewood Cliffs, NJ 17632

Email: CustomerService.JTIUSA@jti.com

Premier
17998 Chesterfield Airport
Chesterfield, MO 63005

Email: tlopez@gopremier.com

Global Trading
1601 E. Plano PKWY STE 110
Plano, TX 75074

In re: USA Sales, Inc.	Debtor(s).	CHAPTER 11 CASE NUMBER 6:16-bk-14576
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Email: nazariomoreno70@hotmail.com

Liggett
224 N Hoover Rd
Durham, NC 27703

Email: kstowell@lvbrands.com

Inter continental
3251 Commerce Parkway
Miramar, FL 33025

Email: msanchez@alcapone-us.com

21st Century
6255 Mcleod Dr Suite 13
Las Vegas, NV 89120

Email: rlakhani78@gmail.com

California Wholesale
5000 East Second Street # G
Benicia, CA 94510

Email: cafewholesale@yahoo.com

Glass
13440 Hidden Valley St
Corona, CA 92880

Email: tahamimports@gmail.com