

B1 (Official Form 1)(12/11)

**United States Bankruptcy Court  
Central District of California**

**Voluntary Petition**

|  |   |
|--|---|
| Name of Debtor (if individual, enter Last, First, Middle):<br><b>Diamond Distribution LLC</b>  | Name of Joint Debtor (Spouse) (Last, First, Middle):  |
| All Other Names used by the Debtor in the last 8 years<br>(include married, maiden, and trade names):  | All Other Names used by the Joint Debtor in the last 8 years<br>(include married, maiden, and trade names):                                     |
| Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN<br>(if more than one, state all)<br><b>20-3194000</b>  | Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN<br>(if more than one, state all)                              |
| Street Address of Debtor (No. and Street, City, and State):<br><b>1050 S. State College Blvd<br/>Fullerton, CA</b><br><br><div style="text-align: right; font-size: small;">ZIP Code<br/><b>92831-5335</b></div> | Street Address of Joint Debtor (No. and Street, City, and State):<br><br><br><div style="text-align: right; font-size: small;">ZIP Code</div>   |
| County of Residence or of the Principal Place of Business:<br><b>Orange</b>  | County of Residence or of the Principal Place of Business:  |
| Mailing Address of Debtor (if different from street address):<br><br><br><div style="text-align: right; font-size: small;">ZIP Code</div>  | Mailing Address of Joint Debtor (if different from street address):<br><br><br><div style="text-align: right; font-size: small;">ZIP Code</div> |
| Location of Principal Assets of Business Debtor<br>(if different from street address above):<br><b>1050 S State College Blvd<br/>Fullerton, CA 92831</b>   |   |

|   |  |  |
|---|--|--|
| <b>Type of Debtor</b><br>(Form of Organization) (Check one box)<br><input type="checkbox"/> Individual (includes Joint Debtors)<br><i>See Exhibit D on page 2 of this form.</i><br><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Other (If debtor is not one of the above entities,<br>check this box and state type of entity below.) | <b>Nature of Business</b><br>(Check one box)<br><input type="checkbox"/> Health Care Business<br><input type="checkbox"/> Single Asset Real Estate as defined<br>in 11 U.S.C. § 101 (51B)<br><input type="checkbox"/> Railroad<br><input type="checkbox"/> Stockbroker<br><input type="checkbox"/> Commodity Broker<br><input type="checkbox"/> Clearing Bank<br><input checked="" type="checkbox"/> Other | <b>Chapter of Bankruptcy Code Under Which<br/>the Petition is Filed</b> (Check one box)<br><input type="checkbox"/> Chapter 7<br><input type="checkbox"/> Chapter 9<br><input checked="" type="checkbox"/> Chapter 11<br><input type="checkbox"/> Chapter 12<br><input type="checkbox"/> Chapter 13<br><input type="checkbox"/> Chapter 15 Petition for Recognition<br>of a Foreign Main Proceeding<br><input type="checkbox"/> Chapter 15 Petition for Recognition<br>of a Foreign Nonmain Proceeding |
| <b>Chapter 15 Debtors</b><br>Country of debtor's center of main interests:<br><br>Each country in which a foreign proceeding<br>by, regarding, or against debtor is pending:  | <b>Tax-Exempt Entity</b><br>(Check box, if applicable)<br><input type="checkbox"/> Debtor is a tax-exempt organization<br>under Title 26 of the United States<br>Code (the Internal Revenue Code).   | <b>Nature of Debts</b><br>(Check one box)<br><input type="checkbox"/> Debts are primarily consumer debts,<br>defined in 11 U.S.C. § 101(8) as<br>"incurred by an individual primarily for<br>a personal, family, or household purpose."<br><input checked="" type="checkbox"/> Debts are primarily<br>business debts.  |

|  |   |
|--|---|
| <b>Filing Fee</b> (Check one box)<br><input checked="" type="checkbox"/> Full Filing Fee attached<br><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must<br>attach signed application for the court's consideration certifying that the<br>debtor is unable to pay fee except in installments. Rule 1006(b). See Official<br>Form 3A.<br><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must<br>attach signed application for the court's consideration. See Official Form 3B. | <b>Chapter 11 Debtors</b><br>Check one box:<br><input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).<br><input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).<br>Check if:<br><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates)<br>are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter).<br>Check all applicable boxes:<br><input type="checkbox"/> A plan is being filed with this petition.<br><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors,<br>in accordance with 11 U.S.C. § 1126(b). |
|--|---|

|   |                                  |
|---|----------------------------------|
| <b>Statistical/Administrative Information</b><br><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.<br><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid,<br>there will be no funds available for distribution to unsecured creditors.   | THIS SPACE IS FOR COURT USE ONLY |
| <b>Estimated Number of Creditors</b><br><input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000  |                                  |
| <b>Estimated Assets</b><br><input checked="" type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion      |                                  |
| <b>Estimated Liabilities</b><br><input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input checked="" type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion |                                  |

|   |   |   |  |
|---|---|---|--|
| <b>Voluntary Petition</b><br><i>(This page must be completed and filed in every case)</i>   |   | Name of Debtor(s):<br><b>Diamond Distribution LLC</b> |  |
| <b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet)   |   |   |  |
| Location<br>Where Filed: <b>- None -</b>  | Case Number:  | Date Filed:   |  |
| Location<br>Where Filed:  | Case Number:  | Date Filed:   |  |
| <b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet)  |   |   |  |
| Name of Debtor:<br><b>- None -</b>  | Case Number:  | Date Filed:   |  |
| District:   | Relationship:   | Judge:  |  |
| <p style="text-align:center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>                                | <p style="text-align:center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p><b>X</b> _____<br/>Signature of Attorney for Debtor(s) (Date)</p> |   |  |
| <b>Exhibit C</b>  |   |   |  |
| Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?  |   |   |  |
| <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.<br><input checked="" type="checkbox"/> No.  |   |   |  |
| <b>Exhibit D</b>  |   |   |  |
| (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)  |   |   |  |
| <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.   |   |   |  |
| If this is a joint petition:  |   |   |  |
| <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.  |   |   |  |
| <b>Information Regarding the Debtor - Venue</b><br>(Check any applicable box)   |   |   |  |
| <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.  |   |   |  |
| <input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.  |   |   |  |
| <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District. |   |   |  |
| <b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b><br>(Check all applicable boxes)  |   |   |  |
| <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)   |   |   |  |
| _____<br>(Name of landlord that obtained judgment)  |   |   |  |
| _____<br>(Address of landlord)  |   |   |  |
| <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and   |   |   |  |
| <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.   |   |   |  |
| <input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).  |   |   |  |

**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s):

**Diamond Distribution LLC**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_  
Signature of Debtor

**X** \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
Signature of Foreign Representative

\_\_\_\_\_  
Printed Name of Foreign Representative

\_\_\_\_\_  
Date

**Signature of Attorney\***

**X** /s/ Charles W. Daff  
Signature of Attorney for Debtor(s)

Charles W. Daff 76178  
Printed Name of Attorney for Debtor(s)

Charles W Daff  
Firm Name

2009 N. Broadway  
Santa Ana, CA 92706

\_\_\_\_\_  
Address

Email: charlesdaff@yahoo.com

714-541-0301 Fax: 714-569-0515  
Telephone Number

October 29, 2012                      76178  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

**X** \_\_\_\_\_  
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** /s/ Dan Burns  
Signature of Authorized Individual

Dan Burns  
Printed Name of Authorized Individual

Managing Shareholder  
Title of Authorized Individual

October 29, 2012  
Date

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court  
Central District of California**

In re Diamond Distribution LLC

Debtor(s)

Case No.

Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| (1)  | (2)  | (3)   | (4)  | (5)   |
|--|--|---|--|---|
| <i>Name of creditor and complete mailing address including zip code</i>  | <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | <i>Amount of claim [if secured, also state value of security]</i> |
| <b>A&amp;I Pallets<br/>9425 S Alameda St<br/>Los Angeles, CA 90006</b>   | <b>A&amp;I Pallets<br/>9425 S Alameda St<br/>Los Angeles, CA 90006</b>   | <b>supplier</b>   |  | <b>2,020.31</b>   |
| <b>ADT<br/>655 S. Flower<br/>Los Angeles, CA 90012</b>   | <b>ADT<br/>655 S. Flower<br/>Los Angeles, CA 90012</b>   |   |  | <b>3,391.12</b>   |
| <b>Alpha Carpet<br/>20930 S Normandie Ave<br/>Torrance, CA 90502</b>   | <b>Alpha Carpet<br/>20930 S Normandie Ave<br/>Torrance, CA 90502</b>   | <b>supplier</b>   |  | <b>1,110.00</b>   |
| <b>Anthem Blue Cross<br/>PO Box 9051<br/>Oxnard, CA 93031</b>  | <b>Anthem Blue Cross<br/>PO Box 9051<br/>Oxnard, CA 93031</b>  |   |  | <b>2,200.00</b>   |
| <b>Brother Meza Pallets</b>  | <b>Brother Meza Pallets</b>  |   |  | <b>2,267.10</b>   |
| <b>Budget Forklift<br/>7216 E 16th St<br/>Kansas City, MO 64126</b>  | <b>Budget Forklift<br/>7216 E 16th St<br/>Kansas City, MO 64126</b>  | <b>supplier</b>   |  | <b>2,367.00</b>   |
| <b>Empire Distributors<br/>11383 Newport Drive<br/>Rancho Cucamonga, CA<br/>91730</b>  | <b>Empire Distributors<br/>11383 Newport Drive<br/>Rancho Cucamonga, CA 91730</b>  | <b>supplier</b>   |  | <b>26,586.90</b>  |
| <b>Employment Development<br/>Department<br/>State of California<br/>Lien Group, Mic 92G<br/>PO Box 826880<br/>Sacramento, CA 94280-0001</b> | <b>Employment Development<br/>Department<br/>State of California<br/>Lien Group, Mic 92G<br/>Sacramento, CA 94280-0001</b>   | <b>taxes</b>  |  | <b>1,582.29</b>   |
| <b>Ferrell Gas<br/>1213 N Eaglecrest Nixa<br/>Nixa, MO 65714</b>   | <b>Ferrell Gas<br/>1213 N Eaglecrest Nixa<br/>Nixa, MO 65714</b>   | <b>supplier</b>   |  | <b>11,916.04</b>  |
| <b>Hawks International Security<br/>8710 Darby Ave<br/>Northridge, CA 91325</b>  | <b>Hawks International Security<br/>8710 Darby Ave<br/>Northridge, CA 91325</b>  | <b>service</b>  |  | <b>42,170.00</b>  |
| <b>Healthnet<br/>21281 Burbank Blvd,<br/>Building B<br/>Woodland Hills, CA 91367</b>   | <b>Healthnet<br/>21281 Burbank Blvd, Building B<br/>Woodland Hills, CA 91367</b>   | <b>service</b>  |  | <b>13,293.14</b>  |

B4 (Official Form 4) (12/07) - Cont.

In re Diamond Distribution LLC

Case No. \_\_\_\_\_

Debtor(s)

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

(Continuation Sheet)

| (1)<br><i>Name of creditor and complete mailing address including zip code</i>            | (2)<br><i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3)<br><i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4)<br><i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5)<br><i>Amount of claim [if secured, also state value of security]</i> |
|---|---|--|---|--|
| Internal Revenue Service<br>Mail Stop 5503<br>24000 Avila Road<br>Laguna Niguel, CA 92677 | Internal Revenue Service<br>Mail Stop 5503<br>24000 Avila Road<br>Laguna Niguel, CA 92677   | notice   |   | 7,179.49   |
| M&K Pallets<br>8913 Miner St<br>Los Angeles, CA 90002                                     | M&K Pallets<br>8913 Miner St<br>Los Angeles, CA 90002   | supplier   |   | 7,159.97   |
| Oltmans Real Estate<br>12881 166th Street<br>Los Angeles, CA 90006                        | Oltmans Real Estate<br>12881 166th Street<br>Los Angeles, CA 90006  | management   |   | 13,661.42  |
| Pallet Masters<br>655 E Florence Ave<br>Los Angeles, CA                                   | Pallet Masters<br>655 E Florence Ave<br>Los Angeles, CA   | supplier   |   | 5,509.50   |
| Quality Communications<br>5254 Long Beach Blvd<br>Long Beach, CA 90805                    | Quality Communications<br>5254 Long Beach Blvd<br>Long Beach, CA 90805  | supplier   |   | 8,146.25   |
| Reliable Resources<br>6130 Blue Circle Dr., Suite 300<br>Hopkins, MN 55343                | Reliable Resources<br>6130 Blue Circle Dr., Suite 300<br>Hopkins, MN 55343  |  |   | 201,081.11   |
| Staffing Systems<br>3780 Kilroy Airport Way<br>Long Beach, CA 90806                       | Staffing Systems<br>3780 Kilroy Airport Way<br>Long Beach, CA 90806   | supplier   |   | 25,765.41  |
| State College Project<br>10005 Mission Mill Rd<br>Whittier, CA 90601                      | State College Project<br>10005 Mission Mill Rd<br>Whittier, CA 90601  | notice   |   | 125,665.08   |
| Tri-State Staffing<br>1222 N Tustin St<br>Orange, CA 92868                                | Tri-State Staffing<br>1222 N Tustin St<br>Orange, CA 92868  | supplier   |   | 244,493.82   |

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the Managing Shareholder of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date October 29, 2012

Signature /s/ Dan Burns  
Dan Burns  
Managing Shareholder

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**United States Bankruptcy Court  
Central District of California**

In re Diamond Distribution LLC  
Debtor

Case No. \_\_\_\_\_

Chapter 11

**LIST OF EQUITY SECURITY HOLDERS**

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

| Name and last known address<br>or place of business of holder | Security<br>Class | Number<br>of Securities | Kind of<br>Interest |
|---|-------------------|-------------------------|---------------------|
|---|-------------------|-------------------------|---------------------|

**None**

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the Managing Shareholder of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date October 29, 2012

Signature /s/ Dan Burns  
**Dan Burns**  
**Managing Shareholder**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C §§ 152 and 3571.

**STATEMENT OF RELATED CASES**  
**INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1015-2**  
**UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA**

1. A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor, his/her spouse, his or her current or former domestic partner, an affiliate of the debtor, any copartnership or joint venture of which debtor is or formerly was a general or limited partner, or member, or any corporation of which the debtor is a director, officer, or person in control, as follows: (Set forth the complete number and title of each such of prior proceeding, date filed, nature thereof, the Bankruptcy Judge and court to whom assigned, whether still pending and, if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

**none**

2. (If petitioner is a partnership or joint venture) A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor or an affiliate of the debtor, or a general partner in the debtor, a relative of the general partner, general partner of, or person in control of the debtor, partnership in which the debtor is a general partner, general partner of the debtor, or person in control of the debtor as follows: (Set forth the complete number and title of each such prior proceeding, date filed, nature of the proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending and, if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

**none**

3. (If petitioner is a corporation) A petition under the Bankruptcy Act of 1898 or the Bankruptcy Reform Act of 1978 has previously been filed by or against the debtor, or any of its affiliates or subsidiaries, a director of the debtor, an officer of the debtor, a person in control of the debtor, a partnership in which the debtor is general partner, a general partner of the debtor, a relative of the general partner, director, officer, or person in control of the debtor, or any persons, firms or corporations owning 20% or more of its voting stock as follows: (Set forth the complete number and title of each such prior proceeding, date filed, nature of proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending, and if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior Proceeding(s).)

**none**

4. (If petitioner is an individual) A petition under the Bankruptcy Reform Act of 1978, including amendments thereof, has been filed by or against the debtor within the last 180 days: (Set forth the complete number and title of each such prior proceeding, date filed, nature of proceeding, the Bankruptcy Judge and court to whom assigned, whether still pending, and if not, the disposition thereof. If none, so indicate. Also, list any real property included in Schedule A that was filed with any such prior proceeding(s).)

**none**

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

Executed at Santa Ana, California.

/s/ Dan Burns

Dan Burns

Debtor

Dated October 29, 2012

Joint Debtor

B6A (Official Form 6A) (12/07)

In re Diamond Distribution LLC, Case No. \_\_\_\_\_  
Debtor

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

| Description and Location of Property | Nature of Debtor's Interest in Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption | Amount of Secured Claim |
|--------------------------------------|---|------------------------------------|--|-------------------------|
|--------------------------------------|---|------------------------------------|--|-------------------------|

None

Sub-Total > **0.00** (Total of this page)  
Total > **0.00**  
(Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property



B6D (Official Form 6D) (12/07)

In re **Diamond Distribution LLC**

Case No. \_\_\_\_\_

Debtor

### SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor" ,include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

| CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)                         | C O D E B T O R<br>H W J C | Husband, Wife, Joint, or Community   |  | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL | UNSECURED PORTION, IF ANY |
|--|----------------------------|--|--|---------------------|-------------------------|-----------------|---|---------------------------|
|  |                            | DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN |  |                     |                         |                 |   |                           |
| Account No.<br><b>Alphonse Bottazzi</b><br><b>835 Purple Sage Terrace</b><br><b>Henderson, NV 89015</b>                      | -                          | 07/07/10   | Purchase Money Security<br>all right title and interest in all fixtures, equipment, inventory, accounts receivable and all other assets currently or hereafter owned by debtor |                     |                         |                 | 0.00  | 0.00                      |
| Account No.<br><b>Israel Discount Bank of New York</b><br><b>511 Fifth Avenue</b><br><b>New York, NY 10017</b>               | -                          | 05/05/09   | Purchase Money Security<br>all assets  |                     |                         |                 | 0.00  | 0.00                      |
| Account No.<br><b>Kahn-Lucas-Lancaster Inc</b><br><b>805 Estelle Drive, Suite 101</b><br><b>Lancaster, PA 17601</b>          | -                          | 04/18/11   | Purchase Money Security<br>any and all childrens apparel and fashion merchandise   |                     |                         |                 | 0.00  | 0.00                      |
| Account No.<br><b>Southern California Material Handling Inc</b><br><b>8314 E Slauson Ave</b><br><b>Pico Rivera, CA 90660</b> | -                          | 08/03/11   | Purchase Money Security<br>Bendi #05082, Cat Nor #4541, Cat Nor #4544, Cat C5000 #0610, Cat 5000 #0618, Cat 5000 #0619, Cat 5000 #0620   |                     |                         |                 | 0.00  | 0.00                      |
| Subtotal<br>(Total of this page)   |                            |  |  |                     |                         |                 | 0.00  | 0.00                      |
| Total<br>(Report on Summary of Schedules)  |                            |  |  |                     |                         |                 | 0.00  | 0.00                      |

0 continuation sheets attached

In re Diamond Distribution LLC

Case No. \_\_\_\_\_

Debtor

## SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

**Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

**Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

**Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

**Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

**Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,775\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

**Deposits by individuals**

Claims of individuals up to \$2,600\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

**Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

**Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

**Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amount subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

B6E (Official Form 6E) (4/10) - Cont.

In re Diamond Distribution LLC, Debtor

Case No. \_\_\_\_\_

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**  
(Continuation Sheet)

**Taxes and Certain Other Debts Owed to Governmental Units**

| CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)   | C O D E B O R H W J C | Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM | AMOUNT NOT ENTITLED TO PRIORITY, IF ANY |
|---|-----------------------|--|---------------------|-------------------------|-----------------|-----------------|---|
|   |                       |  |                     |                         |                 |                 | AMOUNT ENTITLED TO PRIORITY             |
| Account No.<br><b>Employment Development Department<br/>State of California<br/>Lien Group, Mic 92G<br/>PO Box 826880<br/>Sacramento, CA 94280-0001</b> | -                     | <b>04/13/12<br/>taxes</b>  |                     |                         |                 | <b>1,582.29</b> | <b>0.00</b><br><b>1,582.29</b>          |
| Account No.<br><b>Franchise Tax Board<br/>Special Procedures<br/>PO Box 2952<br/>Sacramento, CA 95812-2952</b>  | -                     | <b>notice</b>  |                     |                         |                 | <b>0.00</b>     | <b>0.00</b><br><b>0.00</b>              |
| Account No.<br><b>Internal Revenue Service<br/>Mail Stop 5503<br/>24000 Avila Road<br/>Laguna Niguel, CA 92677</b>                                      | -                     | <b>notice</b>  |                     |                         |                 | <b>7,179.49</b> | <b>7,179.49</b><br><b>0.00</b>          |
| Account No.   |                       |  |                     |                         |                 |                 |   |
| Account No.   |                       |  |                     |                         |                 |                 |   |
| Subtotal<br>(Total of this page)  |                       |  |                     |                         |                 | <b>8,761.78</b> | <b>7,179.49</b><br><b>1,582.29</b>      |
| Total<br>(Report on Summary of Schedules)   |                       |  |                     |                         |                 | <b>8,761.78</b> | <b>7,179.49</b><br><b>1,582.29</b>      |

Sheet 1 of 1 continuation sheets attached to Schedule of Creditors Holding Unsecured Priority Claims

B6F (Official Form 6F) (12/07)

In re **Diamond Distribution LLC**

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.) | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community   | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM |
|---|--------------------------------------|--|--|--|--------------------------------------|-----------------|
|   |                                      | H<br>W<br>J<br>C   |  |  |                                      |                 |
| Account No.<br><br><b>1050 College Partners<br/>801 Grand Ave<br/>Des Moines, IA 50392</b>                    |                                      | <b>landlord with judgment for possession in case<br/>no 30-2012-00571984</b> |  |  |                                      | <b>0.00</b>     |
| Account No.<br><br><b>A&amp;I Pallets<br/>9425 S Alameda St<br/>Los Angeles, CA 90006</b>                     |                                      | <b>supplier</b>  |  |  |                                      | <b>2,020.31</b> |
| Account No.<br><br><b>ADT<br/>655 S. Flower<br/>Los Angeles, CA 90012</b>                                     |                                      |  |  |  |                                      | <b>3,391.12</b> |
| Account No.<br><br><b>Alpha Carpet<br/>20930 S Normandie Ave<br/>Torrance, CA 90502</b>                       |                                      | <b>supplier</b>  |  |  |                                      | <b>1,110.00</b> |
| Subtotal<br>(Total of this page)  |                                      |  |  |  |                                      | <b>6,521.43</b> |

5 continuation sheets attached

B6F (Official Form 6F) (12/07) - Cont.

In re Diamond Distribution LLC, Case No. \_\_\_\_\_  
Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.) | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM |
|---|--------------------------------------|------------------------------------|--|--|--------------------------------------|-----------------|
|   |                                      | H<br>W<br>J<br>C                   |  |  |                                      |                 |
| Account No.<br><b>Andrew Malata1</b>  | -                                    |                                    |  |  |                                      | <b>0.00</b>     |
| Account No.<br><b>Anthem Blue Cross<br/>PO Box 9051<br/>Oxnard, CA 93031</b>                                  | -                                    |                                    |  |  |                                      | <b>2,200.00</b> |
| Account No.<br><b>Arrowhead Direct<br/>1030 E Washington St<br/>Indianapolis, IN 46202</b>                    | -                                    | supplier                           |  |  |                                      | <b>334.00</b>   |
| Account No.<br><b>ATT<br/>PO BOX 60017<br/>Los Angeles, CA 90060</b>  | -                                    | utility                            |  |  |                                      | <b>248.07</b>   |
| Account No.<br><b>Brother Meza Pallets</b>  | -                                    |                                    |  |  |                                      | <b>2,267.10</b> |
| Subtotal<br>(Total of this page)  |                                      |                                    |  |  |                                      | <b>5,049.17</b> |

Sheet no. 1 of 5 sheets attached to Schedule of  
Creditors Holding Unsecured Nonpriority Claims

In re Diamond Distribution LLC, Debtor Case No. \_\_\_\_\_

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)   | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                  |   |
|---|--------------------------------------|------------------------------------|--|--|--------------------------------------|----------------------------------|---|
|   |                                      | H<br>W<br>J<br>C                   |  |  |                                      |                                  | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. |
| Account No.<br><br><b>Budget Forklift</b><br>7216 E 16th St<br>Kansas City, MO 64126                            |                                      | supplier                           | -  |  |                                      | 2,367.00                         |   |
| Account No.<br><br><b>Empire Distributors</b><br>11383 Newport Drive<br>Rancho Cucamonga, CA 91730              |                                      | supplier                           | -  |  |                                      | 26,586.90                        |   |
| Account No.<br><br><b>Ferrell Gas</b><br>1213 N Eaglecrest Nixa<br>Nixa, MO 65714                               |                                      | supplier                           | -  |  |                                      | 11,916.04                        |   |
| Account No.<br><br><b>Hawks International Security</b><br>8710 Darby Ave<br>Northridge, CA 91325                |                                      | service                            | -  |  |                                      | 42,170.00                        |   |
| Account No.<br><br><b>Healthnet</b><br>21281 Burbank Blvd, Building B<br>Woodland Hills, CA 91367               |                                      | service                            | -  |  |                                      | 13,293.14                        |   |
| Sheet no. <u>2</u> of <u>5</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims |                                      |                                    |  |  |                                      | Subtotal<br>(Total of this page) | <b>96,333.08</b>  |

In re Diamond Distribution LLC, Debtor Case No. \_\_\_\_\_

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)        | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community              | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM    |
|--|--------------------------------------|---|--|--|--------------------------------------|--------------------|
|  |                                      | H<br>W<br>J<br>C                                |  |  |                                      |                    |
| Account No.<br><br><b>Keith Attlesey<br/>Attlesey Storm LLP<br/>2552 Walnut Ave, Suite 100<br/>Tustin, CA 92780</b>  | -                                    | attorney for debtor in unlawful detainer action |  |  |                                      | <b>0.00</b>        |
| Account No.<br><br><b>King Parret &amp; Droste<br/>450 Newport Center Dr., Suite 500<br/>Newport Beach, CA 92660</b> | -                                    | attorney for landlord--notice                   |  |  |                                      | <b>0.00</b>        |
| Account No.<br><br><b>M&amp;K Pallets<br/>8913 Miner St<br/>Los Angeles, CA 90002</b>                                | -                                    | supplier  |  |  |                                      | <b>7,159.97</b>    |
| Account No.<br><br><b>Oltmans Real Estate<br/>12881 166th Street<br/>Los Angeles, CA 90006</b>                       | -                                    | management                                      |  |  |                                      | <b>13,661.42</b>   |
| Account No.<br><br><b>Oltmans Real Estate<br/>10005 Mission Mill Rd<br/>Whittier, CA 90601</b>                       |                                      | Representing:<br>Oltmans Real Estate            |  |  |                                      | <b>Notice Only</b> |
| Sheet no. <u>3</u> of <u>5</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims      |                                      |   |  |  | Subtotal<br>(Total of this page)     | <b>20,821.39</b>   |

B6F (Official Form 6F) (12/07) - Cont.

In re Diamond Distribution LLC

Case No. \_\_\_\_\_

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)      | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community  | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM    |
|--|--------------------------------------|-------------------------------------|--|--|--------------------------------------|--------------------|
|  |                                      | H<br>W<br>J<br>C                    |  |  |                                      |                    |
| Account No.<br><br><b>Pallet Masters</b><br><b>655 E Florence Ave</b><br><b>Los Angeles, CA</b>                    |                                      | supplier                            |  |  |                                      | <b>5,509.50</b>    |
| Account No.<br><br><b>Quality Communications</b><br><b>5254 Long Beach Blvd</b><br><b>Long Beach, CA 90805</b>     |                                      | supplier                            |  |  |                                      | <b>8,146.25</b>    |
| Account No.<br><br><b>Reliable Resources</b><br><b>6130 Blue Circle Dr., Suite 300</b><br><b>Hopkins, MN 55343</b> |                                      |                                     |  |  |                                      | <b>201,081.11</b>  |
| Account No.<br><br><b>Reliable Resources</b><br><b>5254 Pomona Blvd</b><br><b>Los Angeles, CA 90022</b>            |                                      | Representing:<br>Reliable Resources |  |  |                                      | <b>Notice Only</b> |
| Account No.<br><br><b>Staffing Systems</b><br><b>3780 Kilroy Airport Way</b><br><b>Long Beach, CA 90806</b>        |                                      | supplier                            |  |  |                                      | <b>25,765.41</b>   |
| Sheet no. <u>4</u> of <u>5</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims    |                                      |                                     |  |  | Subtotal<br>(Total of this page)     | <b>240,502.27</b>  |



In re Diamond Distribution LLC, Debtor Case No. \_\_\_\_\_

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**  
(Continuation Sheet)

| CREDITOR'S NAME,<br>MAILING ADDRESS<br>INCLUDING ZIP CODE,<br>AND ACCOUNT NUMBER<br>(See instructions above.)   | C<br>O<br>D<br>E<br>B<br>T<br>O<br>R | Husband, Wife, Joint, or Community  | C<br>O<br>N<br>T<br>I<br>N<br>G<br>E<br>N<br>T | U<br>N<br>L<br>I<br>Q<br>U<br>I<br>D<br>A<br>T<br>E<br>D | D<br>I<br>S<br>P<br>U<br>T<br>E<br>D | AMOUNT OF CLAIM                           |   |
|---|--------------------------------------|-------------------------------------|--|--|--------------------------------------|---|---|
|   |                                      | H<br>W<br>J<br>C                    |  |  |                                      |   | DATE CLAIM WAS INCURRED AND<br>CONSIDERATION FOR CLAIM. IF CLAIM<br>IS SUBJECT TO SETOFF, SO STATE. |
| Account No.<br><br>State College Building I, LLC<br>801 Grand Ave<br>Des Moines, IA 50392                       |                                      | landlord --notice                   |  |  |                                      | 0.00                                      |   |
| Account No.<br><br>State College Project<br>10005 Mission Mill Rd<br>Whittier, CA 90601                         |                                      | notice                              |  |  |                                      | 125,665.08                                |   |
| Account No.<br><br>Tri-State Staffing<br>1222 N Tustin St<br>Orange, CA 92868                                   |                                      | supplier                            |  |  |                                      | 244,493.82                                |   |
| Account No.<br><br>Tri-State Staffing<br>160 Broadway, 15th Floor<br>New York, NY 10038                         |                                      | Representing:<br>Tri-State Staffing |  |  |                                      | Notice Only                               |   |
| Account No.<br><br>   |                                      |                                     |  |  |                                      |   |   |
| Sheet no. <u>5</u> of <u>5</u> sheets attached to Schedule of<br>Creditors Holding Unsecured Nonpriority Claims |                                      |                                     |  |  |                                      | Subtotal<br>(Total of this page)          | <b>370,158.90</b>   |
|   |                                      |                                     |  |  |                                      | Total<br>(Report on Summary of Schedules) | <b>739,386.24</b>   |

B6H (Official Form 6H) (12/07)

In re Diamond Distribution LLC

Case No. \_\_\_\_\_

Debtor

### SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR

NAME AND ADDRESS OF CREDITOR

0

\_\_\_\_\_ continuation sheets attached to Schedule of Codebtors

**United States Bankruptcy Court  
Central District of California**

In re **Diamond Distribution LLC**

Debtor(s)

Case No. \_\_\_\_\_

Chapter **11**

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the Managing Shareholder of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 17 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **October 29, 2012**

Signature **/s/ Dan Burns**

**Dan Burns**

**Managing Shareholder**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

Form B203 - Disclosure of Compensation of Attorney for Debtor - (1/88)

1998 USBC, Central District of California

|  |  |
|--|--|
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA</b> |  |
| In re<br><br><b>Diamond Distribution LLC</b>                             | Case No.:  |
| Debtor.  | <b>DISCLOSURE OF COMPENSATION<br/>OF ATTORNEY FOR DEBTOR</b> |

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

|  |    |                  |
|--|----|------------------|
| For legal services, I have agreed to accept.....           | \$ | <u>10,000.00</u> |
| Prior to the filing of this statement I have received..... | \$ | <u>10,000.00</u> |
| Balance Due.....   | \$ | <u>0.00</u>      |

2. The source of the compensation paid to me was:

Debtor      Other (specify):     **debtor, Diamond Distribution LLC., paid to attorney the sum of \$10,000 retainer billed at the hourly rate of \$450 for attorney and \$120 per hour for paralegal. the debtor paid \$1043 as filing fee in addition to retainer.**

3. The source of compensation to be paid to me is:

Debtor      Other (specify):

4.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statement of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof;
- d. [Other provisions as needed]

**Negotiations with secured creditors to reduce to market value; exemption planning; preparation and filing of reaffirmation agreements and applications as needed; preparation and filing of motions pursuant to 11 USC 522(f)(2)(A) for avoidance of liens on household goods.**

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services  
**Representation of the debtors in any dischargeability actions, judicial lien avoidances, relief from stay actions or any other adversary proceeding.**

**CERTIFICATION**

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

**October 29, 2012**

*Date*

**/s/ Charles W. Daff**

**Charles W. Daff 76178**

*Signature of Attorney*

**Charles W Daff**

*Name of Law Firm*

**2009 N. Broadway**

**Santa Ana, CA 92706**

**714-541-0301 Fax: 714-569-0515**

**MASTER MAILING LIST**  
**Verification Pursuant to Local Bankruptcy Rule 1007-2(d)**

Name Charles W. Daff 76178  
Address 2009 N. Broadway Santa Ana, CA 92706  
Telephone 714-541-0301 Fax: 714-569-0515

- Attorney for Debtor(s)  
 Debtor in Pro Per

|   |                    |
|---|--------------------|
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA</b>  |                    |
| List all names including trade names used by Debtor(s)<br>within last 8 years:<br><b>Diamond Distribution LLC</b> | Case No.:          |
|   | Chapter: <b>11</b> |
|   |                    |

**VERIFICATION OF CREDITOR MAILING LIST**

The above named debtor(s), or debtor's attorney if applicable, do hereby certify under penalty of perjury that the attached Master Mailing List of creditors, consisting of 5 sheet(s) is complete, correct, and consistent with the debtor's schedules pursuant to Local Rule 1007-2(d) and I/we assume all responsibility for errors and omissions.

Date: October 29, 2012

/s/ Dan Burns  
**Dan Burns/Managing Shareholder**  
Signer/Title

Date: October 29, 2012

/s/ Charles W. Daff  
Signature of Attorney  
**Charles W. Daff 76178**  
**Charles W Daff**  
**2009 N. Broadway**  
**Santa Ana, CA 92706**  
**714-541-0301 Fax: 714-569-0515**

Diamond Distribution LLC  
1050 S. State College Blvd  
Fullerton, CA 92831-5335

Charles W. Daff  
Charles W Daff  
2009 N. Broadway  
Santa Ana, CA 92706

1050 College Partners  
801 Grand Ave  
Des Moines, IA 50392

A&I Pallets  
9425 S Alameda St  
Los Angeles, CA 90006

ADT  
655 S. Flower  
Los Angeles, CA 90012

Alpha Carpet  
20930 S Normandie Ave  
Torrance, CA 90502

Alphonse Bottazzi  
835 Purple Sage Terrace  
Henderson, NV 89015

Andrew Malata1

Anthem Blue Cross  
PO Box 9051  
Oxnard, CA 93031

Arrowhead Direct  
1030 E Washington St  
Indianapolis, IN 46202

ATT  
PO BOX 60017  
Los Angeles, CA 90060

Brother Meza Pallets

Budget Forklift  
7216 E 16th St  
Kansas City, MO 64126

Empire Distributors  
11383 Newport Drive  
Rancho Cucamonga, CA 91730

Employment Development Department  
State of California  
Lien Group, Mic 92G  
PO Box 826880  
Sacramento, CA 94280-0001

Ferrell Gas  
1213 N Eaglecrest Nixa  
Nixa, MO 65714



Franchise Tax Board  
Special Procedures  
PO Box 2952  
Sacramento, CA 95812-2952

Hawks International Security  
8710 Darby Ave  
Northridge, CA 91325

Healthnet  
21281 Burbank Blvd, Building B  
Woodland Hills, CA 91367

Internal Revenue Service  
Mail Stop 5503  
24000 Avila Road  
Laguna Niguel, CA 92677

Israel Discount Bank of New York  
511 Fifth Avenue  
New York, NY 10017

Kahn-Lucas-Lancaster Inc  
805 Estelle Drive, Suite 101  
Lancaster, PA 17601

Keith Attlesey  
Attlesey Storm LLP  
2552 Walnut Ave, Suite 100  
Tustin, CA 92780

King Parret & Droste  
450 Newport Center Dr., Suite 500  
Newport Beach, CA 92660

M&K Pallets  
8913 Miner St  
Los Angeles, CA 90002

Oltmans Real Estate  
12881 166th Street  
Los Angeles, CA 90006

Oltmans Real Estate  
10005 Mission Mill Rd  
Whittier, CA 90601

Pallet Masters  
655 E Florence Ave  
Los Angeles, CA

Quality Communications  
5254 Long Beach Blvd  
Long Beach, CA 90805

Reliable Resources  
6130 Blue Circle Dr., Suite 300  
Hopkins, MN 55343

Reliable Resources  
5254 Pomona Blvd  
Los Angeles, CA 90022

Southern California Material  
Handling Inc  
8314 E Slauson Ave  
Pico Rivera, CA 90660

Staffing Systems  
3780 Kilroy Airport Way  
Long Beach, CA 90806

State College Building I, LLC  
801 Grand Ave  
Des Moines, IA 50392

State College Project  
10005 Mission Mill Rd  
Whittier, CA 90601

Tri-State Staffing  
1222 N Tustin St  
Orange, CA 92868

Tri-State Staffing  
160 Broadway, 15th Floor  
New York, NY 10038

|   |  |
|---|--|
| Attorney or Party Name, Address, Telephone & FAX Number, and California State Bar Number<br><br><b>Charles W. Daff</b><br><b>2009 N. Broadway</b><br><b>Santa Ana, CA 92706</b><br><b>714-541-0301 Fax: 714-569-0515</b><br>California State Bar Number: <b>76178</b><br><br><i>Attorney for Debtor</i> | FOR COURT USE ONLY                           |
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA</b>  |  |
| In re:<br><br><b>Diamond Distribution LLC</b><br><br><br><br>Debtor(s),<br>Plaintiff(s),<br>Defendant(s).   | CASE NO.:<br>ADV. NO.:<br>CHAPTER: <b>11</b> |

**Corporate Ownership Statement Pursuant to  
FRBP 1007(a)(1) and 7007.1, and LBR 1007-4**

*Pursuant to FRBP 1007(a)(1) and 7007.1, and LBR 1007-4, any corporation, other than a governmental unit, that is a debtor in a voluntary case or a party to an adversary proceeding or a contested matter shall file this statement identifying all its parent corporations and listing any publicly held company, other than a governmental unit, that directly or indirectly own 10% or more of any class of the corporation's equity interest, or state that there are no entities to report. This Corporate Ownership Statement must be filed with the initial pleading filed by a corporate entity in a case or adversary proceeding. A supplemental statement must promptly be filed upon any change in circumstances that renders this Corporate Ownership Statement inaccurate.*

I, Charles W. Daff 76178, the undersigned in the above-captioned case, hereby declare  
*(Print Name of Attorney or Declarant)*

under penalty of perjury under the laws of the United States of America that the following is true and correct:

**[Check the appropriate boxes and, if applicable, provide the required information.]**

1. I have personal knowledge of the matters set forth in this Statement because:
  - I am the president or other officer or an authorized agent of the debtor corporation
  - I am a party to an adversary proceeding
  - I am a party to a contested matter
  - I am the attorney for the debtor corporation
- 2.a.  The following entities, other than the debtor or a governmental unit, directly or indirectly own 10% or more of any class of the corporation's(s') equity interests:  
*[For additional names, attach an addendum to this form.]*
- b.  There are no entities that directly or indirectly own 10% or more of any class of the corporation's equity interest.

/s/ Charles W. Daff  
Signature of Attorney or Declarant

October 29, 2012  
Date

Charles W. Daff 76178  
Printed Name of Attorney or Declarant

**United States Bankruptcy Court  
Central District of California**

In re Diamond Distribution LLC

Debtor(s)

Case No.

Chapter 11

**STATEMENT REGARDING AUTHORITY TO SIGN AND FILE PETITION**

I, **Dan Burns**, declare under penalty of perjury that I am the of **Diamond Distribution LLC**, and that the following is a true and correct copy of the resolutions adopted by the Board of Directors of said corporation at a special meeting duly called and held on the 29th day of October 2012. .

"Whereas, it is in the best interest of this corporation to file a voluntary petition in the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

Be It Therefore Resolved, that **Dan Burns**, of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a chapter 11 voluntary bankruptcy case on behalf of the corporation; and

Be It Further Resolved, that **Dan Burns**, of this Corporation is authorized and directed to appear in all bankruptcy proceedings on behalf of the corporation, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the corporation in connection with such bankruptcy case, and

Be It Further Resolved, that **Dan Burns**, of this Corporation is authorized and directed to employ **Charles W. Daff 76178**, attorney and the law firm of **Charles W Daff** to represent the corporation in such bankruptcy case."

Date \_\_\_\_\_

Signed \_\_\_\_\_  
**Dan Burns**

Resolution of Board of Directors  
of  
**Diamond Distribution LLC**

Whereas, it is in the best interest of this corporation to file a voluntary petition in the the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

Be It Therefore Resolved, that **Dan Burns**, of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a chapter 11 voluntary bankruptcy case on behalf of the corporation; and

Be It Further Resolved, that **Dan Burns**, of this Corporation is authorized and directed to appear in all bankruptcy proceedings on behalf of the corporation, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the corporation in connection with such bankruptcy case, and

Be It Further Resolved, that **Dan Burns**, of this Corporation is authorized and directed to employ **Charles W. Daff 76178**, attorney and the law firm of **Charles W Daff** to represent the corporation in such bankruptcy case.

Date \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

Signed \_\_\_\_\_