

UNITED STATES BANKRUPTCY COURT  
**CENTRAL DISTRICT OF CALIFORNIA**

Page 1 of 97  
**VOLUNTARY PETITION**

Name of Debtor (if individual, enter Last, First, Middle): <b>CLK Human Resources, LLC</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all): <b>33-0980631</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN)/Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): <b>72-295 Manufacturing Road                  Thousand Palms, California</b> ZIP CODE <b>92276-6615</b>	Street Address of Joint Debtor (No. and Street, City, and State): ZIP CODE
County of Residence or of the Principal Place of Business: <b>Riverside</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): ZIP CODE	Mailing Address of Joint Debtor (if different from street address): ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above):  
 ZIP CODE

<b>Type of Debtor (Form of Organization) (Check one box.)</b> <input type="checkbox"/> Individual (includes Joint Debtors) See Exhibit D on page 2 of this form. <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Nature of Business (Check one box.)</b> <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other See Attachment 1	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.)</b> <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
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<b>Chapter 15 Debtors</b> Country of debtor's center of main interests:  Each country in which a foreign proceeding by, regarding, or against debtor is pending:	<b>Tax-Exempt Entity (Check box, if applicable.)</b> <input type="checkbox"/> Debtor is a tax-exempt organization under title 26 of the United States Code (the Internal Revenue Code).	<b>Nature of Debts (Check one box.)</b> <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
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<b>Filing Fee (Check one box.)</b> <input checked="" type="checkbox"/> Full Filing Fee attached. <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	<b>Chapter 11 Debtors</b> Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).  Check if: <input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,490,925 (amount subject to adjustment on 4/01/16 and every three years thereafter). ----- Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
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<b>Statistical/Administrative Information</b> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.	<b>THIS SPACE IS FOR COURT USE ONLY</b>
<b>Estimated Number of Creditors</b> <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> <input type="checkbox"/> \$0 to \$50,000 <input checked="" 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> <input 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 checked="" 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	

**Voluntary Petition** Main Document Page 2 of 5  
 (This page must be completed and filed in every case.) CLK Human Resources, LLC

**All Prior Bankruptcy Cases Filed Within Last 8 Years** (If more than two, attach additional sheet.)

Location Where Filed: <b>NONE</b>	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:

**Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor** (If more than one, attach additional sheet.)

Name of Debtor: <b>NONE</b>	Case Number:	Date Filed:
District:	Relationship:	Judge:

**Exhibit A**

(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.)

Exhibit A is attached and made a part of this petition.

**Exhibit B**

(To be completed if debtor is an individual whose debts are primarily consumer debts.)

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 have delivered to the debtor the notice required by 11 U.S.C. § 342(b).

X \_\_\_\_\_  
 Signature of Attorney for Debtor(s) (Date)

**Exhibit C**

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?

Yes, and Exhibit C is attached and made a part of this petition.

No.

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D, completed and signed by the debtor, is attached and made a part of this petition.

If this is a joint petition:

Exhibit D, also completed and signed by the joint debtor, is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**  
 (Check any applicable box.)

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.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

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.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**  
 (Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

\_\_\_\_\_  
 (Name of landlord that obtained judgment)

\_\_\_\_\_  
 (Address of landlord)

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

Debtor has included with 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.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition

Main Document

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CLK Human Resources, LLC

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

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 \_\_\_\_\_  
Signature of Attorney for Debtor(s)

**J. Bennett Friedman, Esq.**

Printed Name of Attorney for Debtor(s)

**Friedman Law Group, P.C.**

Firm Name

**1900 Avenue of the Stars, 11th Floor**

**Los Angeles, California 90067**

Address

**(310) 552-8210**

Telephone Number

**5/17/13**

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 \_\_\_\_\_  
Signature

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

X \_\_\_\_\_  
Signature of Authorized Individual  
**Carl L. Karcher**

Printed Name of Authorized Individual

**Managing Member**

Title of Authorized Individual

**5-17-13**

Date

## **Attachment**

### **Attachment 1**

**Employee Leasing Company**

In re CLK Human Resources, LLC,  
 Debtor

Case No. \_\_\_\_\_  
 (If known)

**SCHEDULE A - REAL PROPERTY**

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				
Total ▶			\$0.00	

(Report also on Summary of Schedules.)

In re CLK Human Resources, LLC,Debtor

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

(If known)

**SCHEDULE B - PERSONAL PROPERTY**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	Husband, Wife, Joint, Or Community	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand.	X			
2. Checking, savings or other financial accounts, certificates of deposit or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		Checking Account - General Business Wells Fargo Bank Palm Desert Branch		\$5,100.00
		Checking Account - Payroll Wells Fargo Bank Palm Desert Branch		\$8,400.00
		Checking Account - General Business Associated Bank		\$100.00
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			

In re CLK Human Resources, LLC,  
 Debtor

Case No. \_\_\_\_\_  
 (If known)

**SCHEDULE B - PERSONAL PROPERTY**

(Continuation Sheet)

11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.		CLK Human Resources, LLC Defined Benefit Pension Plan		\$0.00
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.		Accounts Receivable (Approximately \$30,000 is owed by operating entities leasing the employees of the Debtor. This is not property of the estate. Only the surcharge fee is property of the Debtor).		\$61.00
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A – Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.		Business License		N/A

In re CLK Human Resources, LLC,  
 Debtor

Case No. \_\_\_\_\_  
 (If known)

**SCHEDULE B - PERSONAL PROPERTY**  
 (Continuation Sheet)

24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X		
25. Automobiles, trucks, trailers, and other vehicles and accessories.		2010 Hyundai Sonata (x5)	See attached appraisal
		2010 Ford E350 Van	See attached appraisal
		2012 Ford E350 Van	See attached appraisal
		2008 Dodge Sprinter	See attached appraisal
		2013 GMC Savannah	See attached appraisal
		2010 Jetta Sportswagon (Lease)	See attached appraisal
		2010 Nissan Altima	See attached appraisal
		2009 Toyota Tacoma	See attached appraisal
		2012 GMC Yukon XL	See attached appraisal
		2012 GL550 Mercedes Benz (Lease)	See attached appraisal
		2011 BigTex Trailer	See attached appraisal
26. Boats, motors, and accessories.	X		
27. Aircraft and accessories.	X		
28. Office equipment, furnishings, and supplies..		Miscellaneous office equipment, furnishings and supplies (including all vehicles previously listed)	\$70,000.00



In re CLK Human Resources, LLC,  
 Debtor

Case No. \_\_\_\_\_  
 (If known)

**SCHEDULE B - PERSONAL PROPERTY**  
 (Continuation Sheet)

29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.		Employee leasing contracts		See attached appraisal

3 continuation sheets attached      Total ►  
 (Include amounts from any continuation  
 sheets attached. Report total also on  
 Summary of Schedules.)

<b>\$83,661.00</b>
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Presents  
Valuation Report  
of  
CLK Human Resources LLC

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## **SECTION 1**



## CLK HUMAN RESOURCES, LLC

### VALUATION REPORT

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- Section 1 \* Summary Opinion Letter**
  
- Section 2 \* Valuation Analysis**
  
- Section 3 \* Exhibit One: Historical Data**  
**\* Exhibit Two: Braun Vehicle Data**  
**\* Exhibit Three: Human Resource Agreements**
  
- Section 4 \* Qualifications of the Valuator**  
**\* Statement of Assumptions and Limiting Conditions**  
**\* Valuation Foundation**



MULTIPLE QUESTIONS. SINGLE SOLUTION.

May 16, 2013

Kelly Karcher  
CLK Human Resources, LLC  
72-295 Manufacturing Road  
Thousand Palms, CA 92276

RE: Valuation Report

Dear Ms. Karcher,

We have prepared and enclosed herewith, our valuation report of CLK Human Resources, LLC. The purpose of the valuation is to render an opinion as to the fair market value of a 100% interest in the company as of May 1, 2013 for a sale at fair market value or for other reporting requirements.

The term "*fair market value*" is defined as the cash or cash equivalent price at which the property would change hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, and both parties having reasonable knowledge of the relevant facts.

Fair market value is as of the date of the appraisal or valuation and no knowledge of future unforeseen events that could materially impact the value of the subject interest valued may be imputed to the hypothetical buyers or sellers. Fair market value is not a guarantee of selling price. Fair market value also differs from other standards or premises of value such as investment, fair or intrinsic value.

Our report is based on historical and prospective financial information provided to us by management and other third parties. Had we audited or reviewed the underlying data, matters may have come to our attention that would have resulted in our using amounts that differ from those provided. Accordingly, we take no responsibility for the underlying data presented in this report. Users of this business valuation should be aware that business valuations may be based upon future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections used in this valuation and the variations may be material.

**Based on our study and analysis procedures, we have concluded that in our opinion, a reasonable estimate of the maximum fair market value of a 100% interest in the assets of CLK Human Resources, LLC as of May 1, 2013 would be \$70,000.**

We used the adjusted assets approach to determine the value of the Company.

We have no present or contemplated financial interest in CLK Human Resources, LLC. Our fees, for this valuation, are based upon our normal hourly billing rates, and are in no way contingent upon the results of our findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

This report has been prepared for the specific purpose of valuing a 100% interest in the Company for reporting for a sale of the interest at fair market value or for other reporting purposes.

**In Notice 2006-96; 2006-46 IRB 1 (19 Oct 2006)**, the IRS issued transitional guidance with specific definition of a "Qualified Appraiser" and "Qualified Appraisal".

The Pension Protection Act of 2006 (PPA 2006), Sec. 170(f)(11) creates new guidelines and penalties for appraisals and appraisers. A qualified appraisal now will be defined as one that meets "generally accepted appraisal standards" and follows the principles of Uniform Standards of Professional Appraisal Practice (USPAP). Under Sec. 170(f)(11)(E)(ii)(I), the appraiser must have experience and competency in evaluating the type of property, verifiable education and experience and must declare that he or she understands a substantial or gross valuation misstatement could lead to civil penalty under Sec. 6695A.

Under "Transitional terms -- qualified appraiser" the section states:*(1) Appraisal designation. An appraiser will be treated as having earned an appraisal designation from a recognized professional appraiser organization within the meaning of § 170(f)(11)(E)(ii)(I) if the appraisal designation is awarded on the basis of demonstrated competency in valuing the type of property for which the appraisal is performed.*

The above is in addition to existing requirements that:

- 1) The appraisal be prepared, signed and dated by a qualified appraiser.
- 2) The appraisal shall include all required information.
- 3) Not involve a prohibited appraisal fee.

This appraisal is in compliance with the above requirements.

We have compiled the accompanying forecast statement of operations of the Company for each of the years presented in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation for the support of the assumptions underlying the forecast. We have not examined the forecasts and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions.

Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report that were not readily foreseen.

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We have compiled the accompanying forecast statement of operations of the Company for each of the years presented in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation for the support of the assumptions underlying the forecast. We have not examined the forecasts and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report that were not readily foreseen.

This report may not be used to obtain credit, and may not be copied or be made available to any person(s) without the express written consent of Braun, Inc. Readers are directed to refer to the section entitled limiting conditions for further restrictions.

We have performed a valuation engagement, as that term is defined in the Statement on Standards for Valuation Services (SSVS) of the American Institute of Certified Public Accountants. This valuation and report were prepared in accordance with the American Institute of Certified Public Accountants and the National Association of Certified Valuation Analysts standards for conducting and reporting on business valuations.

Sincerely,

  
James A. Biedenbender, CPA/ABV, CVA

## **SECTION 2**



## STANDARD OF VALUE

Internal Revenue Service Revenue Ruling 59-60 outlined methods and factors that all appraisers are to consider when valuing closely held businesses. This pronouncement also defined *fair market value* in Section 2.02 as *"The price at which property would change hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts"*.

This definition is similar to how it is defined by the American Society of Appraisers Business Valuation Standards which states that fair market value *"the price, expressed in cash equivalents, at which the property would change hands between a hypothetical willing and able buyer and a hypothetical and willing seller, acting at arm's length in an open unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*

The standard of value we used to appraise the company is liquidation value and not fair market value as applicable to a going concern.

## APPRAISAL SCOPE

The following steps or actions have been performed by use in conducting this appraisal assignment:

- 1) We reviewed and analyzed the history of the Company, the competitive position and market niche the Company occupies, the strength and depth of management and other factors deemed to be pertinent or relevant.
- 2) We reviewed the trial balances used to prepare the income tax returns for the calendar years ended 2012- 2010 along with agreements to provide services.
- 3) We reviewed and analyzed current economic conditions at large and for the industry the Company operates in.
- 4) Reviewed internal financial documents concerning sales concentrations and customer relationships along with other data we deemed relevant to develop an opinion of value.
- 5) Reviewed, analyzed and selected various valuation methods we considered to be appropriate to develop an opinion of value for a 100% interest in the Company.

## APPRAISAL PROCEDURES & ANALYSIS

The Internal Revenue Service was one of the earliest theoreticians in the field of valuation and appraisal. The IRS first issued guidance with the release of ARM 34 in 1920. This pronouncement addressed concepts such as goodwill and capitalization rates that are still appropriate today. The IRS' most important work in the valuation field came with the release of Revenue Ruling 59-60.

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Rev.-Rul. 59-60 also indicates that *the buyer and seller* referred to in the definition *are hypothetical*, not a current investor, partner, family member, strategic buyer or anyone else whose motivations might result in a different value than that determined by a disinterested party who would evaluate the given purchase in light of other alternative investment opportunities.

**Rev.-Rul. 59-60 discussed eight factors that should be considered by appraisers and valuers in determining value of closely held businesses. Those factors are as follows:**

- 1) The nature of the business and history of the enterprise from its inception.
- 2) The economic outlook in general and condition and outlook of the specific industry in particular (employee leasing, SIC 7363).
- 3) The book value of the business interest and the financial condition of the business.
- 4) The earnings capacity of the company.
- 5) The dividend-paying capacity of the company.
- 6) Whether the enterprise has goodwill or other intangible assets.
- 7) Sales of the stock to be valued along with size of the block of stock to be valued (addresses the concept of value of control). We are valuing a 100% control interest in a California limited liability company.
- 8) The market price of stocks engaged in the same or similar lines of business having their stocks actively traded in a free and open market, either on an exchange or over the counter.

The Ruling also discusses appropriate capitalization rates, the impact on value when restrictive agreements are present, and the importance of industry benchmarking (the comparison of oneself to your peers). Much analysis has since been developed from examining rates returned to various financial assets and from a review of time studies of the public securities markets.

The Ruling states, “A sound valuation will be based upon all of the relevant facts, but the elements of common sense, informed judgment and reasonableness must enter into the process of weighing those facts and determining their aggregate significance”.

The IRS has since issued a number of pronouncements that have amplified or discussed aspects of Rev.-Rul.59-60. We have reviewed these pronouncements for their applicability to the subject entity.

**Definitions and Terminology** It is useful to provide definitions that help to ensure that the valuation report is communicated to its users in clear and unambiguous fashion. Therefore, the following discussion is provided to review what is intended by the use of certain terms and concepts.

**Fair market value** was already defined as the “willing buyer, willing seller” concept espoused in Rev.-Rul. 59-60. Judge Laro (a Tax Court Judge who has authored several valuation opinions) had some additional observations that are pertinent to what is meant by fair market value in valuation cases.

The willing buyer and willing seller are hypothetical, *even when the identities of each are known*. Motivations and characteristics of the hypothetical persons are acknowledged to be different than the actual buyer or seller.

Fair market value is as of the date of the appraisal or valuation report and no knowledge of future unforeseen events that could materially impact the value of the subject interest valued may be imputed to the hypothetical buyers or sellers.

Fair market value equals highest and best use that exists for the subject property or interest on the valuation date, and not the use to which the interest or property is actually being put. Elements affecting value that depend upon events or a combination of events that are possible, but not probable, should be excluded from consideration.

It is understood that fair market value means a value in cash or cash equivalents as expressed in U.S. currency.

The hypothetical buyers and sellers envisioned by Rev.-Rul. 59-60 and the Courts have equal (even if imperfect) knowledge concerning the asset or property interest, and neither side is compelled to engage in the transaction. Certain buyers or sellers may also have motivations specific to them or to their financial outlook, and as such, may ascribe values to the security that no else does. The strategic buyer often places a value on an asset or business that may exceed the perceived value attributed to that asset or business by the rest of the marketplace. The hypothetical parties envisioned by the Ruling and the Courts do not have such motivations.

Fair market value for real estate usually implies sufficient exposure to the marketplace (often defined as six months); a similar time frame or exposure is not implied for the valuation of closely held stock. Fair market value for real estate also implies an "as is" value which is a concept that usually does not apply to business valuations.

**Minority interest** is defined as any ownership interest that does not exceed 50% in the subject entity. Conversely, a **controlling or majority interest** is any ownership interest that exceeds 50% in the subject company. This valuation is limited to a 100% control interest in the Company.

There are essentially three general approaches to determine value that valuers and appraisers use for both real estate and businesses. These approaches are comprised of asset-based, income and market methods. There are several different methods within each broad group that may be employed by appraisers. We will review each broad approach and will discuss a method or methods that we considered under each broad approach.

## Company and Industry Background

CLK Human Resources, LLC provides management and administrative services to CLK, Inc., CLK Desert Star LP and to CLK New-Star LP, companies that operate in the fast-food restaurant industry. Services provided are stated to be payroll, human resources consulting, benefit management and employee training. Services are provided per agreements that may be canceled by either side with a 30 day notice. Gross revenues for the years reviewed (2012 to 2010) was nominal, in the \$13 to \$14 thousand range. There was little other activity. In addition to the services, there are autos that are leased. CLK stands for Carl L. Karcher, who started the Carl's restaurant chain. CLK Human Resources, LLC provided Mr. Karcher's industry expertise to the operating companies for a fee. With Mr. Karcher's passing, the value of the CLK Human Resources is diminished as his key man services are no longer available.

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**BRAUN**  
VALUATIONS • BROKERS • AUCTIONEERS

### THE ASSET-BASED (COST) APPROACH

We normally consider the application of the asset accumulation approach whereby we revalue all of the Company's assets and liabilities in order to determine the residual equity might be an appropriate method to value the Company's assets. The residual equity would be for the entire equity structure on a marketable, controlling enterprise value. This method requires the appraiser to identify each individual asset and revalue them considering obsolescence, estimated remaining useful life and other factors.

This method is often referred to as a liquidation approach as it usually sets the floor or minimum value of a company. While some of the value attributable to an ongoing business enterprise may be lost with this approach, it does show the intrinsic value that no one would sell for less than, and that is important as the term willing buyer and willing seller also connotes that the seller has price concerns or motivations as well. The following is a historical and an adjusted asset listing for the subject entity.

Adjusted Balance Sheet		
item/description	<i>historical</i>	<i>adjusted</i>
Cash	(441,986)	-
Trade Receivables	404,134	65,115
Intercompany	(21,640)	-
Other Assets	-	-
<b>Net Current Assets</b>	<b>(59,492)</b>	<b>65,115</b>
Vehicles	260,181	151,000
Accumulated Depreciation	82,551	-
<b>Net Fixed Assets</b>	<b>177,630</b>	<b>151,000</b>
<b>Total Assets</b>	<b>118,138</b>	<b>216,115</b>
Payroll Payable	(131,842)	-
Taxes Payable	-	-
Notes Payable - Vehicles	146,066	146,066
<b>Total Liabilities</b>	<b>14,224</b>	<b>146,066</b>
Member's Equity	103,914	70,049
<b>Total Liabilities &amp; Equity</b>	<b>118,138</b>	<b>216,115</b>

We made adjustments to asset values for collection costs and to provide a return to a buyer for trade receivables. Braun Co supplied values for the vehicles. We netted the cash overdraft, payables, intercompany and receivables into a single receivable and discounted it by 10% to account for collectability and collection costs. As the contracts are day cancellable, we gave no value to them.

Doing so provides an estimated value of \$70,000 (rounded) for the Company's assets.

## THE MARKET APPROACH

The market approach requires a valuator to compare sales of similar companies, both public and private, to the subject entity. As Dr. Shannon Pratt noted in his book, "*Valuing A Business*", the IRS tends to favor the use of the market approach. Dr. Pratt goes on to note "the term comparable companies is mentioned seven times in Rev.-Rul 59-60." Therefore, the valuator or appraiser is well advised to conduct a thorough search for such comparables.

There are two primary methods, and one secondary method under the market approach. The first two methods are the mergers and acquisition method and the guideline public company method. The other method under the market approach typically is used for valuations of smaller businesses and is referred to as the rule of thumb, or formula method.

The mergers and acquisition or transaction method is a review and analysis of various sales of companies that are reported, whether to public markets or to databases that gather such information. This is similar to the reported sales of houses or other real property used in real property appraisals. This is the favored approach to value real property in that the quality and quantity of reported transactions provides ample detail with which to value other properties.

Though all sales of public companies or material segments of such companies are a matter of public record, sales of private companies are often never disclosed to the public. Even so, in recent years several reporting agencies have actively been pursuing information as to the sale of private companies and have made that information available in their databases.

We reviewed two such databases in our search for comparables to consider and review. We looked at Bizcomps and Pratt's Stats. There is a degree of overlap of reported transactions among these services. The services are also somewhat stratified in that Bizcomps tends to focus on smaller transactions while Pratt's is somewhat more towards middle markets companies.

The guideline public company method entails the comparison of companies that report to any of the various public markets to the subject being valued. Two Court cases have identified the factors that valuers are to consider in using the guideline public company method. In *Tallichet v. Commissioner*, 33 T.C.M. 1133 (1974), the Court indicated that capital structure, credit status, depth of management, personnel experience, nature of competition and the maturity of the business should be considered in determining whether there was sufficient similarity with which to base comparisons.

In *Estate of Victor P. Clarke*, 35 T.C.M. 1482 (1976), the Court indicated that products, markets that the companies operate in, depth and quality of management, earnings, dividend paying capacity, book value and the companies position in the industry should be considered. We note that several of the factors specified by the Court were included by the Internal Revenue Service in Rev. Rul. 59-60.

Many industries have excellent data to compare, and one can develop statistically meaningful value multiples to apply. In many instances the mergers and acquisition method has more bearing than the guideline public company method due to the many differences between typical public and small closely held companies.

We went with sampling other employee leasing companies to see if there was any interest in acquiring the Company or the contracts in place. We contacted the following four companies:

- 1) The Employee leasing Corporation;
- 2) CPEH;
- 3) Emplicity; and,
- 4) Oasis Outsourcing.

All four companies indicated that due to the fact that the contracts are cancellable in 30days, they had no interest in acquiring either the company or the contracts at any price. Thus, we see no value under their market approach to the company.

### THE INCOME APPROACH

The income approach takes the earnings of the subject entity and capitalizes them at a rate deemed sufficient to reward or satisfy the investment, financial and business risks associated with ownership. This approach is commonly applied to income-producing operating entities as one way to determine the subject company's total value.

Again, due to the fact the contracts are cancellable on a short term basis we do not see any value derived under the income approach.

### RECONCILIATION OF METHODS

The following reflects the various values obtained from application of the different methods.

<u>METHOD</u>	<u>Value Derived</u>
Adjusted Asset's	\$70,000
Mergers & Acquisition	\$ 0
Discounted Earnings	\$ 0

We are going to rely on the adjusted assets method for our conclusion. This then returns a maxima value of \$70,000 for the Company's assets under an orderly liquidation.

## SECTION THREE

## **EXHIBIT ONE**



4:55 PM  
04/30/13  
Cash Basis

**CLK HUMAN RESOURCES LLC**  
**Balance Sheet**  
As of December 31, 2012

	<u>Dec 31, 12</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1-1100 · WFB - 0974 Main Ckg	-83,450.11
1-1200 · WFB - 0331 Payroll Ckg	-358,536.00
<b>Total Checking/Savings</b>	-441,986.11
Accounts Receivable	
Accounts Receivable	404,134.43
<b>Total Accounts Receivable</b>	404,134.43
Other Current Assets	
9_Inter-Co Accounts	-21,640.03
<b>Total Other Current Assets</b>	-21,640.03
<b>Total Current Assets</b>	-59,491.71
<b>Fixed Assets</b>	
Accum Depreciation	-82,551.03
Automobiles	
Vehicles - 2 Hyundias	37,601.16
Vehicles - 2 Vans - R&M	65,476.89
Vehicles - 3 Hyundias	55,672.07
Vehicles - Ford Van	32,641.20
Vehicles - GMC	68,789.92
<b>Total Automobiles</b>	260,181.24
<b>Total Fixed Assets</b>	177,630.21
<b>TOTAL ASSETS</b>	<u>118,138.50</u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Other Current Liabilities	
Payroll Payable	
Stale Checks	71.51
Payroll Payable - Other	-131,913.40
<b>Total Payroll Payable</b>	-131,841.89
<b>Total Other Current Liabilities</b>	-131,841.89
<b>Total Current Liabilities</b>	-131,841.89
<b>Long Term Liabilities</b>	
Notes Payable	
Ford Credit	31,553.16
US Bank #0513110771 - GMC	58,004.77
Wells Fargo#65700 - (2) Hyundai	11,798.47
Wells Fargo#65701 - (3) Hyundai	18,690.46
Wells Fargo#65702 - (2) Vans	26,019.31
<b>Total Notes Payable</b>	146,066.17
<b>Total Long Term Liabilities</b>	146,066.17
<b>Total Liabilities</b>	14,224.28
<b>Equity</b>	
Members Capital - Carl Karcher	16,554.00
3900 · Retained Earnings	31,371.58
Net Income	55,988.64
<b>Total Equity</b>	103,914.22
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>118,138.50</u>

4:40 PM  
04/30/13  
Cash Basis

**CLK HUMAN RESOURCES LLC**  
**Profit & Loss**  
**January through December 2012**

	<u>Jan - Dec 12</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4-2003 - H/R Service Charge	14,513.17
<b>Total Income</b>	<u>14,513.17</u>
<b>Expense</b>	
Bank Charges	9,892.37
Legal & Accounting	0.00
Loan Interest Expense	269.83
Taxes	0.00
Taxes - FTB Calif	-800.00
<b>Total Expense</b>	<u>9,362.20</u>
<b>Net Ordinary Income</b>	5,150.97
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Vehicle Rental Income	50,837.67
<b>Total Other Income</b>	<u>50,837.67</u>
<b>Other Expense</b>	
Depreciation Expense	0.00
<b>Total Other Expense</b>	<u>0.00</u>
<b>Net Other Income</b>	<u>50,837.67</u>
<b>Net Income</b>	<u><u>55,988.64</u></u>

## EXHIBIT TWO

<b>Make</b>	<b>Model</b>	<b>Year</b>	<b>Mileage</b>	<b>FMV</b>
Hyundai	Sonata	2010	107,005	7200
Hyundai	Sonata	2010	88,000	7600
Hyundai	Sonata	2010	101,084	7100
Hyundai	Sonata	2010	129,835	6800
Hyundai	Sonata	2010	123,529	6800
Ford	E350 Van	2010	126,776	10500
Ford	E350 Van	2010	70,671	11350
Ford	E350 Van	2012	14,821	16500
Dodge	Sprinter	2008	unknown	9500
GMC	Savannah	2013	3,708	22300
Nissan	Altima	2010	93,185	7400
Toyota	Tacoma	2009	86,414	14000
GMC	Yukon	2012	15,900	24250
BigEx	Trailer	2011		<u>200</u>
			<b>Total</b>	<b>151500</b>

## **EXHIBIT THREE**

**AGREEMENT FOR CLK HUMAN RESOURCES, LLC TO  
PROVIDE ADMINISTRATIVE SERVICES**

This Agreement is renewed and entered into as of January 1, 2003 by and between CLK, Inc. ("Company"), a California Corporation, and CLK HUMAN RESOURCES, LLC ("Contractor"), a California Limited Liability Company, pursuant to Paragraph 10 of the original Administrative Services Agreement dated December 18, 2001, with reference to the following facts:

- A. Contractor is experienced in providing the services of billing, payroll and other business administrative services as necessary; and
  
- B. Company desires to utilize Contractor's administrative services.

NOW, THEREFORE, the parties hereto agree as follows:

- 1. Company hereby retains Contractor and Contractor agrees to provide Company with administrative services under and subject to all of the terms, conditions and provisions hereof.
  
- 2. Contractor hereby agrees to provide the services of Carl L. Karcher ("Key Person") and other employees of Contractor to Company during the term hereof. Key Person shall render services to Company by and subject to the instruction and direction of Company's Members or the Members' designated administrative to whom Key Person and other employees

of Contractor shall report. Key Person and Contractor shall additionally have responsibility for public relations and promotional activities.

3. Contractor shall furnish and have available to furnish sufficient full and part-time staff personnel for all administrative activities as required by Company for the orderly operation of its business. For purposes of this Agreement such personnel shall be referred to as "contract employees".

4. It is expressly understood by all parties hereto that throughout the term hereof, Key Person will diligently devote such time and best efforts as is reasonably required to Company's business in the performance of Key Person's services and will perform such services conscientiously, efficiently and to the best of Key Person's ability. Except as otherwise set forth herein or in other agreements with Company, nothing contained in this Agreement shall preclude Key Person from engaging in other business activities provided that said activities do not interfere with the performance of duties and responsibilities for Company.

5. In consideration for the administrative services to be rendered by Contractor, Company shall compensate Contractor in an amount based upon the actual gross payroll during the term of this Agreement ("Gross Income"), calculated as follows:

One tenth (1/10) of one (1) percent of the total gross payroll for Company.

6. Compensation due pursuant to paragraph 5 herein shall be paid to Contractor in monthly installments on or before the fifteenth (15th) day of each calendar month based on Company's cash receipts for the preceding month.

7. With the exception of the services of Key Person and upon presentation of evidence satisfactory in form and substance to Company, Company shall reimburse Contractor for the actual cost of all contract employees furnished to Company by Contractor, including salaries, applicable taxes, employee benefits, any out-of-pocket expenses relating thereto, and any other costs agreed to between the parties to this Agreement. Unless otherwise agreed, reimbursement due Contractor pursuant to this shall be paid on or before the 10th day of the calendar month following the month in which expenses are incurred.

8. All contract employees furnished by Contractor shall be considered to be employees of Contractor. Company, however, retains the right upon request to Contractor to employ directly any or all of the contract employees furnished by Contractor.

9. All of Contractor's officers, directors, employees and contract personnel working with Company shall be required to sign an agreement in a form acceptable to Company relating to the nondisclosure of Company's trade secrets, proprietary information, and other ideas or materials developed for use by Company.

~~10. The term of this Agreement shall terminate every year on December 31st, and shall be renewable with the mutual written consent of both parties.~~ *S.H. Moore*

*CHK*

11. This Agreement may be terminated by Company or Contractor upon thirty (30) days' prior written notice to the other party. Accrued and unpaid compensation due Contractor as of the date of termination payable pursuant to this agreement shall be paid within ten (10) days following the date of termination.



12. This Agreement may, at the option of Company be immediately terminated, without prior notice, upon the death of Key Person or if Key Person shall be rendered incapable by illness or any other valid cause from complying with the terms, conditions and provisions to be kept, observed and performed pursuant to this agreement for a period of time which Company determines to be unreasonable. In the event of termination under this paragraph, the termination shall be effective as of the date of notice of termination. Accrued and unpaid compensation due Contractor as of the date of such death or disability pursuant to this agreement herein shall be paid within ten (10) days following the date of death or disability.

13. Company shall have the option to terminate this Agreement for cause, immediately upon notice to Contractor, upon the occurrence of any of the following events:

- (a) Contractor materially breaches any of the terms or provisions of this Agreement;
- (b) Key Person habitually neglects the duties as contemplated under this Agreement;
- (c) Key Person is convicted of a felony or a misdemeanor involving moral turpitude.

If this Agreement is terminated for cause as herein provided, accrued and unpaid compensation due Contractor as of the date of termination pursuant to this agreement shall be parties hereto.

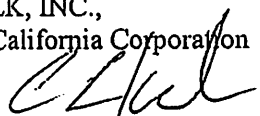
14. The parties hereto agree that this Agreement constitutes the entire and exclusive agreement between them pertaining to the subject matter contained in it, and supersedes all prior or contemporaneous agreements, oral or written, conditions, representations, warranties, proposals and understandings of the parties pertaining to such subject matter.

15. The provisions of this Agreement inure to the benefit of and are binding on the successors and assigns of Company and the successors and assigns of Contractor.

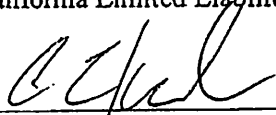
16. Should any paragraph or provision of this Agreement be held to be void, invalid or inoperative, it shall not affect any other paragraph or provision hereof, and the remainder of this Agreement shall be effective as though such void, invalid, or inoperative paragraph or provision had not been contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**COMPANY:**  
CLK, INC.,  
a California Corporation

  
\_\_\_\_\_  
By: Carl L. Karcher, President

**CONTRACTOR:**  
CLK HUMAN RESOURCES, LLC,  
a California Limited Liability Company

  
\_\_\_\_\_  
By: Carl L. Karcher, Managing Member

AGREEMENT FOR CLK HUMAN RESOURCES, LLC TO  
PROVIDE ADMINISTRATIVE SERVICES

This Agreement is made and entered into as of February 15, 2008 by and between CLK DESERT STAR, LP ("Company"), a California Limited Partnership, and CLK HUMAN RESOURCES, LLC ("Contractor"), a California Limited Liability Company with reference to the following facts:

A. Contractor is experienced in providing the services of billing, payroll and other business administrative services as necessary; and

B. Company desires to utilize Contractor's administrative services.

NOW, THEREFORE, the parties hereto agree as follows:

1. Company hereby retains Contractor and Contractor agrees to provide Company with administrative services under and subject to all of the terms, conditions and provisions hereof.

2. Contractor hereby agrees to provide the services of Carl L. Karcher ("Key Person") and other employees of Contractor to Company during the term hereof. Key Person shall render services to Company by and subject to the instruction and direction of Company's

Members or the Members' designated administrator to whom Key Person and other employees of Contractor shall report. Key Person and Contractor shall additionally have responsibility for public relations and promotional activities.

3. Contractor shall furnish and have available to furnish sufficient full and part-time staff personnel for all administrative activities as required by Company for the orderly operation of its business. For purposes of this Agreement such personnel shall be referred to as "contract employees".

4. It is expressly understood by all parties hereto that throughout the term hereof, Key Person will diligently devote such time and best efforts as is reasonably required to Company's business in the performance of Key Person's services and will perform such services conscientiously, efficiently and to the best of Key Person's ability. Except as otherwise set forth herein or in other agreements with Company, nothing contained in this Agreement shall preclude Key Person from engaging in other business activities provided that said activities do not interfere with the performance of duties and responsibilities for Company.

5. In consideration for the administrative services to be rendered by Contractor, Company shall compensate Contractor in an amount based upon the actual gross payroll during the term of this Agreement ("Gross Income"), calculated as follows:

One tenth (1/10) of one (1) percent of the total gross payroll for Company.

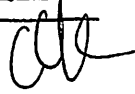
6. Compensation due pursuant to paragraph 5 herein shall be paid to Contractor in monthly installments on or before the fifteenth (15th) day of each calendar month based on Company's cash receipts for the preceding month.

7. With the exception of the services of Key Person and upon presentation of evidence satisfactory in form and substance to Company, Company shall reimburse Contractor for the actual cost of all contract employees furnished to Company by Contractor, including salaries, applicable taxes, employee benefits, any out-of-pocket expenses relating thereto, and any other costs agreed to between the parties to this Agreement. Unless otherwise agreed, reimbursement due Contractor pursuant to this shall be paid on or before the 10th day of the calendar month following the month in which expenses are incurred.

8. All contract employees furnished by Contractor shall be considered to be employees of Contractor. Company, however, retains the right upon request to Contractor to employ directly any or all of the contract employees furnished by Contractor.

9. All of Contractor's officers, directors, employees and contract personnel working with Company shall be required to sign an agreement in a form acceptable to Company relating to the nondisclosure of Company's trade secrets, proprietary information, and other ideas or materials developed for use by Company.

~~10. The term of this Agreement shall terminate every year on December 31st, and shall be renewable with the mutual written consent of manager.~~



11. This Agreement may be terminated by Company or Contractor upon thirty (30) days' prior written notice to the other party. Accrued and unpaid compensation due Contractor as of the date of termination payable pursuant to this agreement shall be paid within ten (10) days following the date of termination.

12. This Agreement may, at the option of Company be immediately terminated, without prior notice, upon the death of Key Person or if Key Person shall be rendered incapable by illness or any other valid cause from complying with the terms, conditions and provisions to be kept, observed and performed pursuant to this agreement for a period of time which Company determines to be unreasonable. In the event of termination under this paragraph, the termination shall be effective as of the date of notice of termination. Accrued and unpaid compensation due Contractor as of the date of such death or disability pursuant to this agreement herein shall be paid within ten (10) days following the date of death or disability.

13. Company shall have the option to terminate this Agreement for cause, immediately upon notice to Contractor, upon the occurrence of any of the following events:

(a) Contractor materially breaches any of the terms or provisions of this Agreement;

(b) Key Person habitually neglects the duties as contemplated under this Agreement;

(c) Key Person is convicted of a felony or a misdemeanor involving moral turpitude.

If this Agreement is terminated for cause as herein provided, accrued and unpaid compensation due Contractor as of the date of termination pursuant to this agreement shall be parties hereto.

19. The parties hereto agree that this Agreement constitutes the entire and exclusive agreement between them pertaining to the subject matter contained in it, and supersedes all prior or contemporaneous agreements, oral or written, conditions, representations, warranties, proposals and understandings of the parties pertaining to such subject matter.

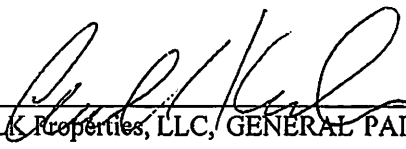
20. The provisions of this Agreement inure to the benefit of and are binding on the successors and assigns of Company and the successors and assigns of Contractor.

21. Should any paragraph or provision of this Agreement be held to be void, invalid or inoperative, it shall not affect any other paragraph or provision hereof, and the remainder of this Agreement shall be effective as though such void, invalid, or inoperative paragraph or provision had not been contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed  
as of the day and year first above written.


**COMPANY:**

CLK DESERT STAR, LP  
a California Limited Partnership

  
\_\_\_\_\_  
CLK Properties, LLC, GENERAL PARTNER  
By: Carl L. Karcher, Manager

**CONTRACTOR:**

CLK HUMAN RESOURCES, LLC,  
a California Limited Liability Company

  
\_\_\_\_\_  
By: Carl L. Karcher, Managing Member



**AGREEMENT FOR CLK HUMAN RESOURCES, LLC TO  
PROVIDE ADMINISTRATIVE SERVICES**

This Agreement is made and entered into as of January 1, 2003 by and between CLK NEW-STAR, LP ("Company"), a Texas Limited Partnership, and CLK HUMAN RESOURCES, LLC ("Contractor"), a California Limited Liability Company, pursuant to Paragraph 10 of the original Administrative Services Agreement dated December 18, 2001, with reference to the following facts:

A. Contractor is experienced in providing the services of billing, payroll and other business administrative services as necessary; and

B. Company desires to utilize Contractor's administrative services.

NOW, THEREFORE, the parties hereto agree as follows:

1. Company hereby retains Contractor and Contractor agrees to provide Company with administrative services under and subject to all of the terms, conditions and provisions hereof.

2. Contractor hereby agrees to provide the services of Carl L. Karcher ("Key Person") and other employees of Contractor to Company during the term hereof. Key Person shall render services to Company by and subject to the instruction and direction of Company's

Members or the Members' designated administrator to whom Key Person and other employees of Contractor shall report. Key Person and Contractor shall additionally have responsibility for public relations and promotional activities.

3. Contractor shall furnish and have available to furnish sufficient full and part-time staff personnel for all administrative activities as required by Company for the orderly operation of its business. For purposes of this Agreement such personnel shall be referred to as "contract employees".

4. It is expressly understood by all parties hereto that throughout the term hereof, Key Person will diligently devote such time and best efforts as is reasonably required to Company's business in the performance of Key Person's services and will perform such services conscientiously, efficiently and to the best of Key Person's ability. Except as otherwise set forth herein or in other agreements with Company, nothing contained in this Agreement shall preclude Key Person from engaging in other business activities provided that said activities do not interfere with the performance of duties and responsibilities for Company.

5. In consideration for the administrative services to be rendered by Contractor, Company shall compensate Contractor in an amount based upon the actual gross payroll during the term of this Agreement ("Gross Income"), calculated as follows:

One tenth (1/10) of one (1) percent of the total gross payroll for Company.

6. Compensation due pursuant to paragraph 5 herein shall be paid to Contractor in monthly installments on or before the fifteenth (15th) day of each calendar month based on Company's cash receipts for the preceding month.

7. With the exception of the services of Key Person and upon presentation of evidence satisfactory in form and substance to Company, Company shall reimburse Contractor for the actual cost of all contract employees furnished to Company by Contractor, including salaries, applicable taxes, employee benefits, any out-of-pocket expenses relating thereto, and any other costs agreed to between the parties to this Agreement. Unless otherwise agreed, reimbursement due Contractor pursuant to this shall be paid on or before the 10th day of the calendar month following the month in which expenses are incurred.

8. All contract employees furnished by Contractor shall be considered to be employees of Contractor. Company, however, retains the right upon request to Contractor to employ directly any or all of the contract employees furnished by Contractor.

9. All of Contractor's officers, directors, employees and contract personnel working with Company shall be required to sign an agreement in a form acceptable to Company relating to the nondisclosure of Company's trade secrets, proprietary information, and other ideas or materials developed for use by Company.

~~10. The term of this Agreement shall terminate every year on December 31st, and shall  
be renewable with the mutual written consent of both partners.~~



11. This Agreement may be terminated by Company or Contractor upon thirty (30) days' prior written notice to the other party. Accrued and unpaid compensation due Contractor as of the date of termination payable pursuant to this agreement shall be paid within ten (10) days following the date of termination.

12. This Agreement may, at the option of Company be immediately terminated, without prior notice, upon the death of Key Person or if Key Person shall be rendered incapable by illness or any other valid cause from complying with the terms, conditions and provisions to be kept, observed and performed pursuant to this agreement for a period of time which Company determines to be unreasonable. In the event of termination under this paragraph, the termination shall be effective as of the date of notice of termination. Accrued and unpaid compensation due Contractor as of the date of such death or disability pursuant to this agreement herein shall be paid within ten (10) days following the date of death or disability.

13. Company shall have the option to terminate this Agreement for cause, immediately upon notice to Contractor, upon the occurrence of any of the following events:

(a) Contractor materially breaches any of the terms or provisions of this Agreement;

(b) Key Person habitually neglects the duties as contemplated under this Agreement;

(c) Key Person is convicted of a felony or a misdemeanor involving moral turpitude.

If this Agreement is terminated for cause as herein provided, accrued and unpaid compensation due Contractor as of the date of termination pursuant to this agreement shall be parties hereto.

19. The parties hereto agree that this Agreement constitutes the entire and exclusive agreement between them pertaining to the subject matter contained in it, and supersedes all prior or contemporaneous agreements, oral or written, conditions, representations, warranties, proposals and understandings of the parties pertaining to such subject matter.

20. The provisions of this Agreement inure to the benefit of and are binding on the successors and assigns of Company and the successors and assigns of Contractor.

21. Should any paragraph or provision of this Agreement be held to be void, invalid or inoperative, it shall not affect any other paragraph or provision hereof, and the remainder of this Agreement shall be effective as though such void, invalid, or inoperative paragraph or provision had not been contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed  
as of the day and year first above written.

**COMPANY:**

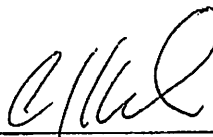
CLK NEW-STAR, LP  
A Texas Limited Partnership



\_\_\_\_\_  
New-Star GP, LLC, GENERAL PARTNER  
By: Carl L. Karcher, Manager

**CONTRACTOR:**

CLK HUMAN RESOURCES, LLC,  
a California Limited Liability Company



\_\_\_\_\_  
By: Carl L. Karcher, Managing Member

## SECTION FOUR

## **QUALIFICATIONS OF THE VALUATOR**

James A. Biedenbender CPA/ABV, CVA is a Certified Public Accountant. He has received designation as Accredited in Business Valuation (ABV) by the American Institute of Certified Public Accountants to members who have demonstrated experience and education requirements and who have successfully passed written examinations on the subject matter.

He has also been granted licensure by the National Association of Certified Valuation Analysts as a Certified Valuation Analyst (CVA) by meeting the organization's experience, education and testing requirements. He is a member of The America Institute of Certified Public Accountants, the California Society of Certified Public Accountants and the Ohio Society of Certified Public Accountants. He has represented many clients before the Internal Revenue Service, Franchise Tax Board, State Board of Equalization and other government agencies. He has also testified in Superior Court, Los Angeles County for marital dissolution issues, and the United States Tax Court for Estate and Gift Tax Issues. He has submitted work for the review of the Securities and Exchange Commission for FAS 142 valuation issues concerning the valuation of goodwill and other intangible asset valuations.

A representative list of industries for which the Braun has performed valuation services includes:

- Entertainment content companies;
- Entertainment support companies such as lessors of props, cameras, lighting and grip equipment and post-production companies;
- Manufacturing concerns in industries such as furniture, cabinetry, electronic components, building materials, boxes and sheet metal, machine shops;
- Professional practices in medicine, law, architecture and accounting;
- Real estate companies including owner-lessors, developers, contractors, subcontractors and investors;
- Service organizations in various consulting fields including health, investments, financial consulting, financial products and tax consulting;
- Distributors for auto parts, equipment and electronic components, newsletters and industry trade publications, meat and seafood products, ethnic foods and produce; packaging, fulfillment and trucking companies;
- Retail outlets, direct response marketing, auto repair facilities, printing companies and stationers; and restaurants;
- Computer service bureaus, database providers, software developers;
- Apparel designers, manufacturers and distributors;
- E-commerce and dot.com companies, from formation and business plan stage to fully developed and producing sustainable revenue streams;



- Telecommunications, electronic components and scientific electronic product companies;
- Pet food and pet product producers and distributors;
- Intangibles, intellectual property and research and development costs;
- Insurance agencies, parking lot service organizations, scrap and recycle yards, and many others.

A list of reasons for which the firm has performed valuation services includes:

- For estate and gift planning and reporting requirements including discount reports for limited partnerships and limited liability companies, and for undivided interests in real property.
- For investment considerations for venture capitalists and in mergers & acquisition transactions.
- For litigation support in divorce proceedings and minority oppression suits.
- To determine the value of IRC Section 83 transactions such as compensatory property transfers to employees (qualified or nonqualified options, stock plans) for reporting payroll and income tax returns.
- For valuation of blockage discounts in thinly traded stocks for business owners contemplating succession planning or exit strategies.
- For income tax purposes such as determining built-in gain for S Corporation conversions under IRC Section 1374 and basis determinations pursuant to IRC Section 1060.
- For ESOPS and preferred stock owned by pension plans.
- For phantom stock and other nonqualified retirement plans.
- To assist with the development of business and strategic plans for both new and existing companies.
- To assist buyers and sellers of businesses in transactions.
- To determine the value of intangible assets for financial statement reporting under or pursuant to FAS 141 and 142, and for tax allocations.

## **STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

The analyses, commentary, conclusions, exhibits and opinion as expressed by Braun, Inc. ("Braun") and set forth in this financial valuation report is subject to the following assumptions and limiting conditions: We have no present or contemplated material interest in the business or assets that are the subject of this report. We have no personal interest or bias with respect to the subject matter of this report or the parties involved.

To the best of our knowledge and belief, the statements of fact contained in this report, upon which the analyses, opinion, and conclusions expressed herein are based, are true and correct.

For all initial valuations of business enterprises, representatives of Braun have made a personal visit (unless specifically noted to the contrary) to the primary premises of the business (generally defined as corporate headquarters or where the majority of the operational activity occurs) and conducted interviews with management. If the business valuation represents an update of a previously conducted valuation, we may not have made a personal visit to the premises of the business.

The fee for this engagement is not contingent upon the values reported nor upon the occurrence of any other event, whether foreseen or not.

No investigation of legal fee or title to the business or its assets has been made and the ownership claim to the business and its assets is assumed valid. No consideration has been given to liens or encumbrances that may be in place against the business or assets, except as specifically stated in this report.

All value conclusions are presented as the considered opinion of Braun based on the facts noted within this report. We assume no responsibility for changes in values or market condition or for the inability of the owner to locate a purchaser at the estimated value. The value conclusions derived were for the specific purpose set forth herein and may be invalid if used for any other purpose. This is not a fairness or solvency opinion and may not be used out of the context as presented herein nor used to solicit potential buyers.

Client agrees to preserve the confidential format and content of our reports. Our reports and the Braun name are not to be used in whole or in part outside your organization, without our prior written approval, except for review by your auditors, legal counsel, advisors, financial institution (if the purpose of our appraisal is financing), and by representatives of taxing authorities. We will likewise preserve the confidential nature of information received from you, or developed during this engagement, in accordance with our established professional standards. Client agrees that Braun does not, either by entering into this contract or by performing the services rendered, assumes, abridge, abrogate or undertake to discharge any duty of Client to any other person. Unless otherwise stated in writing, Braun may reference the work performed for Client in general public announcements.

All financial statements and other pertinent data relating to the income and expense attributed to the entity have been provided either by management or its representatives and accepted without further verification, except as may be noted in the report. Therefore, to the extent that such information may be found at a later date to have been inaccurate or misrepresented, we cannot accept liability for the consequences such inaccuracy or misrepresentation may have on our value conclusion or the use of our conclusion in actions taken by our client.

## Statements of Assumptions and Limiting Conditions

While we accept as correct the information furnished us by others, no guarantee is expressed or implied herein for the validity of such information, whether in written or oral form. In addition, we assume that the information supplied by management and others represented a good faith effort to describe the business or assets. We further assume that, unless indicated otherwise, there is no intention of selling control of or liquidating any material asset other than in the normal and ordinary course of business.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of Braun.

We assume that any proposed change to the financial or ownership structure will not result in any lessor(s) contending that the change is a material modification of the lease terms that would result in modified lease terms that would impair or change the value conclusion expressed herein. We assume there are no hidden or unexpected conditions of either the real or personal property utilized by the business enterprise that would materially and adversely affect value.

We express no opinion as to:

- a) The tax consequences of any transaction which may result;
- b) The effect of the tax consequences of any net value received or to be received as a result of a transaction; and,
- c) The possible impact on the market price resulting from any need to effect a transaction to pay taxes.

No opinion is expressed for matters that require legal or specialized expertise, investigation, or knowledge beyond that customarily employed by appraisers and valuers. Therefore, this report does not address issues of law, engineering, code conformance, toxic contamination or discharge, the potential presence of hazardous substances, etc., unless specifically identified in the body of the report.

Unless express written notice of noncompliance is delivered and brought to the attention of Braun, we assume that the Company is in compliance with all laws and regulations of any government or agency significant and relevant to its operations.

Braun has no responsibility to update the opinions stated herein for events and circumstances occurring after the date of this letter. Any additional consultation, attendance during any hearings or depositions, testimony, or additional research required in reference to the present engagement beyond the opinion expressed herein, as of the date of this letter, are subject to specific written arrangements between the parties.

The analyses and market value estimate may, in part, be based on estimates and assumptions that are inherently subject to uncertainty and variation, depending on evolving events. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analyses may vary from our estimates, and the variations may be material.

### Statements of Assumptions and Limiting Conditions

This report may contain prospective financial estimates or opinions that represent Braun' expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

Any value estimates provided in the report apply to the overall business enterprise, and any proration of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

No consideration has been given in this appraisal to the underlying market value of the real and personal property, such as furniture, fixtures, machinery and equipment located on the premises, unless otherwise identified in this report.

Braun assumes no responsibility for economic or physical factors which may affect the opinion herein stated which may occur at some date after the date of this appraisal report. Forecasts of future events that influence the valuation process are predicated on the continuation of historical and current trends in the market, as identified in the report.

Braun reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available. We assume no responsibility for any financial reporting judgments that are appropriately those of management. Management accepts the responsibility for any related financial reporting with respect to the assets or properties encompassed by this appraisal.

In connection with our report, various forms of the Company's historical financial information will be presented in accompanying exhibits that are included solely to assist with the development of value conclusions. Because of the limited purpose of our engagement, these presentations may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed or compiled these presentations and express no form of assurance on them. We may also use internal financial statements in our valuation. We may also use income tax returns and such other records that we may deem necessary to support our analytical procedures. These procedures are necessary for the purpose of issuing a valuation report and are not part of, nor constitute an audit or review as defined by the American Institute of Certified Public Accountants.

All business valuation and consulting services performed pursuant to this report, shall be deemed to be contracted for and rendered in the County of Los Angeles, California and any arbitration or judicial proceedings shall take place in that County.

With regard to any intangible assets and/or intellectual property (patents, trademarks, service marks, trade names, copyrights, trade secrets, etc.), either valued separately and distinctly from the business or which may contribute to the value of the business enterprise but that were not separately valued or stated as a part of this valuation engagement, Braun expresses no opinion regarding nor shall it have any responsibility in connection with, any of the following matters:

### **Statement of Assumptions and Limiting Conditions**

- a. Verifying the ownership of the property.
- b. Determining whether the owner of such property has granted to other parties any licenses, options or security interests therein, or made any commitment to license or assign rights in such property; or whether such property has liens or other encumbrances against it.
- c. The validity or enforceability of any patent, copyright registration or trademark (of service mark) registration.
- d. Whether property identified as a trade secret is, in fact, a legally enforceable trade secret, and the scope of protection afforded.
- e. The scope of patent claims; that is, the range and types of products or processes covered by any patent.
- f. Whether the inventor(s) identified in any patent is/(are) the true inventor(s), and whether all inventors have been named.
- g. The scope of rights in trademarks, service marks or trade names.
- h. The correct authorship of any copyrighted works.
- i. Whether there has been litigation relating to such intangible assets and the results of any adjudication or settlement of such litigation, particularly with respect to issues of validity, enforceability and scope of protection afforded.

Braun may rely on the Client, Client's management or counsel to provide assurance concerning any of the above matters. Braun may consult with other professional or experts deemed necessary to reach a value conclusion.

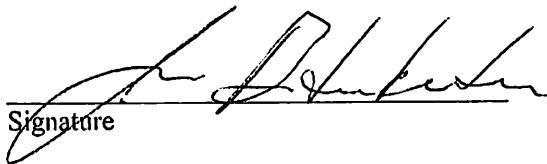
The liability of Braun and its employees and associates is limited to the client only and to the amount of the fee actually received by Braun. There is no accountability, obligation, or liability to any third party. If the valuation report or any part thereof is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the valuation assignment. Neither the valuator nor Braun is in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will indemnify and hold the valuator(s) and Braun completely harmless in such action with respect to any and all awards or settlements of any type, such as fines, penalties, or financial losses resulting from actions taken by tax authorities, including but not limited to the Internal Revenue Service, when such fines, penalties, or losses are not due to fraud or gross negligence on the part of Braun.

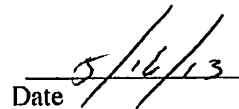
## Valuation Foundation

- 1) Braun researched economic and industry conditions the Company operates in by looking at industry web-site data, reviewing economic data, and by looking at projected industry trends. Internet searches for both items specifically mentioning the subject Company along with items of interest concerning the industry or competitors were also reviewed, when found.
- 2) Braun researched market activity, both under the guideline public company method, when appropriate, and by looking at representative mergers and acquisition databases to determine appropriateness of data and of fit.
- 3) Braun performed analytical steps necessary to determine values under each of the three major valuation approaches. A valuation opinion for each was formed, along with a reconciliation of values finally selected under the method or methods deemed most appropriate. This process is covered at some length in the section entitled "Valuation Procedures and Methodology".
- 4) Consideration is given to the premise of value, the size of the interest being valued, and the appropriateness of relevant discounts or premiums. When applicable, disclosure is made of existing controversy or disputed methodologies.

## Declarations of Appraiser

In accordance with the requirements of the Pension Protection Act, and the requirements of Circular 230, IRC Sections 6701 and 6695A, the appraiser hereby attests under penalty of perjury that the party signing the declaration understands that a substantial or gross valuation misstatement resulting from the appraisal of the value of the property knows, or reasonably should have known, would be used in connection with the filing of an income, estate or gift tax return or a claim for refund, may subject the appraiser to civil penalties under IRC Section 6659A.

  
Signature

  
Date

In re CLK Human Resources, LLC,  
Debtor

Case No. \_\_\_\_\_  
(If known)

### SCHEDULE C - PROPERTY CLAIMED AS EXEMPT

Debtor claims the exemptions to which debtor is entitled under:  
(Check one box)

- 11 U.S.C. § 522(b)(2)
- 11 U.S.C. § 522(b)(3)

Check if debtor claims a homestead exemption that exceeds \$155,675.\*

DESCRIPTION OF PROPERTY	SPECIFY LAW PROVIDING EACH EXEMPTION	VALUE OF CLAIMED EXEMPTION	CURRENT VALUE OF PROPERTY WITHOUT DEDUCTING EXEMPTION
NONE			

\* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re CLK Human Resources, LLC, Debtor Case No. \_\_\_\_\_ (If known)

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

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 AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CODEBTOR HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. 5023 Bank of Southern California 12265 El Camino Real Suite 100 San Diego, CA 92130		2009 Vehicle Loan 2009 Toyota Tacoma VALUE \$ See attached				\$4,107.89	Unknown
ACCOUNT NO. 3659 Ford Motor Credit P.O. Box 650575 Dallas, TX 75265-0575		2010 Vehicle Loan 2010 Ford E350 VALUE \$ See attached				\$30,465.12	Unknown
ACCOUNT NO. 4773 Mercedes-Benz Financial Services PO Box 5209 Carol Stream, IL 60197-5209		12/15/2011 Motor Vehicle Lease 2012 GL550 Mercedes Benz (Lease) VALUE \$ See attached				\$13,892.24	Unknown
ACCOUNT NO. 00-1 Nissan Motor Acceptance Corp. 8900 Freeport Parkway Irving, TX 75063-2438		2010 Vehicle Loan 2010 Nissan Altima VALUE \$ See attached				\$5,163.20	Unknown

2 continuation sheets attached	Subtotal ▶ (Total of this page)	\$ 53,628.45	\$ 0.00
	Total ▶ (Use only on last page)	\$	\$

(Report also on Summary of Schedules.) (If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)



In re CLK Human Resources, LLC, Debtor Case No. \_\_\_\_\_ (if known)

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**  
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. 0733 Union Leasing P.O. Box 75850 Chicago, IL 60675-5850			2010 Vehicle Lease  2011 Volkswagen Jetta TDI Sportswagon  VALUE \$ See attached				\$18,889.02	Unknown
ACCOUNT NO. -641 US Bank P.O. Box 790179 St. Louis, MO 63179-0179			2013 Vehicle Loan  2013 GMC Savannah  VALUE \$ See attached				\$33,720.55	Unknown
ACCOUNT NO. -771 US Bank California Direct PO Box 790179 St. Louis, MO 63179-0179			2012 Vehicle Loan  2012 GMC Yukon XL  VALUE \$ see attached				\$54,723.09	Unknown
ACCOUNT NO. -701 Wells Fargo Equipment Finance, Inc. 733 Marquette Ave. Suite 700 Minneapolis, MN 55402			2010 Vehicle Loan  2010 Ford E350 Van (x2)  VALUE \$ See attached				\$5,942.99	Unknown
ACCOUNT NO. -702 Wells Fargo Equipment Finance, Inc. 733 Marquette Avenue Suite 700 Minneapolis, MN 55402			2010 Vehicle Loan  2010 Hyundai Sonata (x2) (cross collateralized with other Wells Fargo Loan)  VALUE \$ See attached				\$1,285.19	Unknown

Sheet no. 1 of 2 continuation sheets attached to Schedule of Creditors Holding Secured Claims

Subtotal (s) ►  
(Total(s) of this page)

Total(s) ►  
(Use only on last page)

\$	114,560.84	\$	0.00
\$		\$	

(Report also on Summary of Schedules.)

(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

In re **CLK Human Resources, LLC**

Main Document Page 58 of 97

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

Debtor

(if known)

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. -701 Wells Fargo Equipment Finance, Inc. 733 Marquette Avenue Suite 700 Minneapolis, MN 55402			2010 Vehicle Lease  2010 Hyundai Sonata (x3 - cross collateralized with other Wells Fargo Loan)  VALUE \$ See attached				\$867.05	Unknown
ACCOUNT NO.			VALUE \$ \$0.00				\$0.00	

Sheet no. 2 of 2 continuation sheets attached to Schedule of Creditors Holding Secured Claims

Subtotal (s) ►  
(Total(s) of this page)

Total(s) ►  
(Use only on last page)

\$ 867.05	\$ 0.00
\$ 169,056.34	\$ 0.00

(Report also on Summary of Schedules.)

(If applicable, report also on Statistical Summary of Certain Liabilities and Related Data.)

In re CLK Human Resources, LLC,  
Debtor

Case No. \_\_\_\_\_  
(if known)

## SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

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 \$12,475\* 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 \$6,150\* 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 \$2,775\* 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).

\* Amounts are subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **CLK Human Resources, LLC**,  
 Debtor

Case No. \_\_\_\_\_  
 (if known)

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

(Continuation Sheet)

**Taxes and Certain Other Debts Owed to Governmental Units Type of Priority for Claims Listed on This Sheet**

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
Account No. <b>2332</b>			<b>February 28, 2013</b>						
<b>California Board of Equalization Special Taxes and Fees P.O. Box 942879 Sacramento, CA 94279-6001</b>			<b>Environmental Fees</b>				<b>\$4,541.10</b>	<b>\$4,541.10</b>	<b>\$0.00</b>

Sheet no. **1** of **1** continuation sheets attached to Schedule of Creditors Holding Priority Claims

Subtotals▶  
(Totals of this page)

Total▶

(Use only on last page of the completed Schedule E. Report also on the Summary of Schedules.)

Totals▶

(Use only on last page of the completed Schedule E. If applicable, report also on the Statistical Summary of Certain Liabilities and Related Data.)

\$	<b>4,541.10</b>	\$	<b>4,541.10</b>	\$	<b>0.00</b>
\$	<b>4,541.10</b>				
		\$	<b>4,541.10</b>	\$	<b>0.00</b>

In re **CLK Human Resources, LLC**, Debtor, Case No. \_\_\_\_\_ (if known)

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

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>See instructions above.</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. <b>1613</b>  ADP, Inc. One ADP Drive MS-100 Augusta, GA 30909							\$2,156.60
ACCOUNT NO. <b>H001</b>  Anthem Blue Cross PO Box 629 Woodland Hills, CA 91365							\$24,619.26
ACCOUNT NO.  CLK Human Resources, LLC Defined Benefit Pension Plan 72-295 Manufacturing Road Thousand Palms, CA 92276-6615			2012-2013 Unpaid contributions				\$1,178,706.00
ACCOUNT NO.  CLK, Inc. 72295 Manufacturing Road Thousand Palms, CA 92276							\$598.00
Subtotal▶							\$ 1,206,079.86
Total▶							\$

3 continuation sheets attached

(Use only on last page of the completed Schedule F.)  
(Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)

In re CLK Human Resources, LLC,  
Debtor

Case No. \_\_\_\_\_  
(if known)

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

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. <b>9733</b>  EMC dba Eisenhower Occupational Health PO Box 843123 Los Angeles, CA 90084-3123			March 19, 21, 2013  Work Injury				\$571.37
ACCOUNT NO. <b>7 01</b>  Employers Compensation Insurance Company 255 California St. Suite 900 San Francisco, CA 94111-4920							\$75,083.30
ACCOUNT NO.  Fitzgerald & Mule 74-770 Highway 111 Suite 205 Indian Wells, CA 92210			lawsuit			X	\$35,112.87
ACCOUNT NO.  Guardian Life Insurance Company of America PO Box 13398 Philadelphia, PA 19101-3398							\$2,370.91

Sheet no. 1 of 3 continuation sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims

Subtotal▶ \$ **113,138.45**

Total▶ \$

(Use only on last page of the completed Schedule F.)  
(Report also on Summary of Schedules and, if applicable on the Statistical Summary of Certain Liabilities and Related Data.)

In re CLK Human Resources, LLC,  
 Debtor

Case No. \_\_\_\_\_  
 (if known)

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

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. <b>6193</b>  Maryann Baustista c/o Rastegar & Matern, Attorneys at Law 1010 Crenshaw Blvd #100 Torrance, CA 90501			<b>3/20/2013</b>  Lawsuit			X	<b>\$350,000.00</b>
ACCOUNT NO. <b>7587</b>  Maryann Bautista c/o Rastegar & Matern 1010 Crenshaw Blvd., Suite 100 Torrance, CA 90501			<b>June 1, 2010</b>  Class Action lawsuit			X	<b>Unknown</b>
ACCOUNT NO. <b>0097</b>  Tiana Burris c/o Castillo & Associates, Attorneys at Law 81-715 Highway 111, Suite C Indio, CA 92201			<b>July 20, 2012</b>  Lawsuit			X	<b>Unknown</b>
ACCOUNT NO. <b>1227</b>  Torrey Partner 11452 El Camino Real Suite 110 San Diego, CA 92130			<b>March 31, 2013</b>  Professional services rendered			X	<b>\$51,862.00</b>

Sheet no. 2 of 3 continuation sheets attached  
 to Schedule of Creditors Holding Unsecured  
 Nonpriority Claims

Subtotal > \$ **401,862.00**

Total > \$

(Use only on last page of the completed Schedule F.)  
 (Report also on Summary of Schedules and, if applicable on the Statistical  
 Summary of Certain Liabilities and Related Data.)

In re CLK Human Resources, LLC,  
Debtor

Case No. \_\_\_\_\_  
(if known)

### SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <small>(See instructions above.)</small>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO.							
							<b>\$0.00</b>

Sheet no. 3 of 3 continuation sheets attached  
to Schedule of Creditors Holding Unsecured  
Nonpriority Claims

Subtotal▶ \$ **0.00**

Total▶ \$ **1,721,080.31**

(Use only on last page of the completed Schedule F.)  
(Report also on Summary of Schedules and, if applicable on the Statistical  
Summary of Certain Liabilities and Related Data.)



In re CLK Human Resources, LLC,

Debtor

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

(if known)

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.
Mercedes Benz Financial Services PO Box 5209 Carol Stream, IL 60197-5209	Description: Automobile Lease  Nature of Debtor's Interest: Lessee
Union Leasing, Inc. PO Box 75850 Chicago, IL 60675-5850	Description: Automobile Lease  Nature of Debtor's Interest: Lessee



UNITED STATES BANKRUPTCY COURT  
Central District of California

In re: **CLK Human Resources, LLC**

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

Chapter **11**

**BUSINESS INCOME AND EXPENSES**

FINANCIAL REVIEW OF THE DEBTOR'S BUSINESS (NOTE: ONLY INCLUDE information directly related to the business

operation.)

PART A - GROSS BUSINESS INCOME FOR PREVIOUS 12 MONTHS:

1. Gross Income For 12 Months Prior to Filing: \$ 65,351.00

PART B - ESTIMATED AVERAGE FUTURE GROSS MONTHLY INCOME:

2. Gross Monthly Income: \$ 4,220.00

PART C - ESTIMATED FUTURE MONTHLY EXPENSES:

3. Net Employee Payroll (Other Than Debtor) \$ \_\_\_\_\_

4. Payroll Taxes N/A

5. Unemployment Taxes \_\_\_\_\_

6. Worker's Compensation \_\_\_\_\_

7. Other Taxes \_\_\_\_\_

8. Inventory Purchases (Including raw materials) \_\_\_\_\_

9. Purchase of Feed/Fertilizer/Seed/Spray \_\_\_\_\_

10. Rent (Other than debtor's principal residence) \_\_\_\_\_

11. Utilities \_\_\_\_\_

12. Office Expenses and Supplies \_\_\_\_\_

13. Repairs and Maintenance \_\_\_\_\_

14. Vehicle Expenses \_\_\_\_\_

15. Travel and Entertainment \_\_\_\_\_

16. Equipment Rental and Leases \_\_\_\_\_

17. Legal/Accounting/Other Professional Fees 833.00

18. Insurance \_\_\_\_\_

19. Employee Benefits (e.g., pension, medical, etc.) \_\_\_\_\_

20. Payments to Be Made Directly By Debtor to Secured Creditors For  
Pre-Petition Business Debts (Specify):

**Various Automobile Purchase Agreements and Leases** 9,713.19

21. Other (Specify):

**Interest** 25.00

22. Total Monthly Expenses (Add items 3 - 21) \$ 10,571.19

PART D - ESTIMATED AVERAGE NET MONTHLY INCOME:

23. AVERAGE NET MONTHLY INCOME (Subtract Item 22 from Item 2) \$ -6,351.19

# United States Bankruptcy Court

## CENTRAL DISTRICT OF CALIFORNIA

In re **CLK Human Resources, LLC**\_\_\_\_\_  
Debtor

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

Chapter **11** \_\_\_\_\_

### SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors also must complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	YES	1	\$ 0.00		
B - Personal Property	YES	4	\$ 83,661.00		
C - Property Claimed as Exempt	YES	1			
D - Creditors Holding Secured Claims	YES	3		\$ 169,056.34	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	YES	2		\$ 4,541.10	
F - Creditors Holding Unsecured Nonpriority Claims	YES	4		\$ 1,721,080.31	
G - Executory Contracts and Unexpired Leases	YES	1			
H - Codebtors	YES	1			
I - Current Income of Individual Debtor(s)	NO				\$
J - Current Expenditures of Individual Debtors(s)	NO				\$
<b>TOTAL</b>		<b>17</b>	<b>\$ 83,661.00</b>	<b>\$ 1,894,677.75</b>	

# United States Bankruptcy Court

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In re \_\_\_\_\_,

Debtor

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

Chapter \_\_\_\_\_

## STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. § 101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

**This information is for statistical purposes only under 28 U.S.C. § 159.**

**Summarize the following types of liabilities, as reported in the Schedules, and total them.**

Type of Liability	Amount
Domestic Support Obligations (from Schedule E)	\$
Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E)	\$
Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E) (whether disputed or undisputed)	\$
Student Loan Obligations (from Schedule F)	\$
Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E	\$
Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F)	\$
<b>TOTAL</b>	\$

**State the following:**

Average Income (from Schedule I, Line 16)	\$
Average Expenses (from Schedule J, Line 18)	\$
Current Monthly Income (from Form 22A Line 12; OR, Form 22B Line 11; OR, Form 22C Line 20)	\$

**State the following:**

1. Total from Schedule D, "UNSECURED PORTION, IF ANY" column		\$
2. Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column.	\$	
3. Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column		\$
4. Total from Schedule F		\$
5. Total of non-priority unsecured debt (sum of 1, 3, and 4)		\$

In re **CLK Human Resources, LLC**  
Debtor

Case No. \_\_\_\_\_  
(if known)

## DECLARATION CONCERNING DEBTOR'S SCHEDULES

### DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of \_\_\_\_\_ sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date \_\_\_\_\_

Signature: \_\_\_\_\_  
**CLK Human Resources, LLC Debtor**

Date \_\_\_\_\_

Signature: \_\_\_\_\_  
(Joint Debtor, if any)

[If joint case, both spouses must sign.]

### DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)

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 by that section.

Printed or Typed Name and Title, if any,  
of Bankruptcy Petition Preparer

Social Security No.  
(Required by 11 U.S.C. § 110.)

If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social security number of the officer, principal, responsible person, or partner who signs this document.

\_\_\_\_\_  
\_\_\_\_\_

Address

X \_\_\_\_\_  
Signature of Bankruptcy Petition Preparer

\_\_\_\_\_ Date

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 signed 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.

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

I, the **Carl L. Karcher** [the president or other officer or an authorized agent of the corporation or a member or an authorized agent of the partnership] of the **CLK Human Resources, LLC** [corporation or partnership] named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of ~~18~~ 18 sheets (Total shown on summary page plus 1), and that they are true and correct to the best of my knowledge, information, and belief.

Date 5-17-13

Signature: 

**Carl L. Karcher**  
[Print or type name of individual signing on behalf of debtor.]  
**Managing Member**

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

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 CLK Human Resources, LLC,  
 Debtor

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

Chapter 11

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

(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>
CLK Human Resources, LLC Defined Benefit Pension Plan Account Number: 72-295 Manufacturing Road Thousand Palms, CA 92276-6615		Professional services		\$1,178,706.00
Maryann Baustista Account Number: 6193 c/o Rastegar & Matern, Attorneys at Law 1010 Crenshaw Blvd #100 Torrance, CA 90501		Trade Debt - insurance	This claim is disputed.	\$350,000.00
Employers Compensation Insurance Company Account Number: 701 255 California St. Suite 900 San Francisco, CA 94111-4920		Trade Debt - insurance	This claim is subject to setoff.	\$75,083.30

Torrey Partner Account Number: 1227 11452 El Camino Real Suite 110 San Diego, CA 92130	Lawsuit claim	This claim is disputed.	\$51,862.00
Fitzgerald & Mule Account Number: 74-770 Highway 111 Suite 205 Indian Wells, CA 92210	Trade Debt - insurance	This claim is disputed.	\$35,112.87
Anthem Blue Cross Account Number: H001 PO Box 629 Woodland Hills, CA 91365	Trade Debt - insurance	This claim is disputed.	\$24,619.26
California Board of Equalization Account Number: 2332 Special Taxes and Fees P.O. Box 942879 Sacramento, CA 94279-6001	taxes and certain other debts owed to governmental units	This claim is disputed.	\$4,541.10
Guardian Life Insurance Company of America Account Number: PO Box 13398 Philadelphia, PA 19101-3398	Professional Services	This claim is disputed.	\$2,370.91
ADP, Inc. Account Number: 1613 One ADP Drive MS- 100 Augusta, Georgia 30909	Trade Debt - Services	This claim is disputed.	\$2,156.60
CLK, Inc. Account Number: 72295 Manufacturing Road Thousand Palms, CA 92276	Trade Debt - reimbursement	This claim is disputed.	\$598.00



B 4 (Official Form 4) (12/07)

EMC dba Eisenhower Occupational Health Account Number: 9733 PO Box 843123 Los Angeles, CA 90084-3123	Trade Debt - Medical		\$571.37
Maryann Bautista Account Number: 7587 c/o Rastegar & Matern 1010 Crenshaw Blvd., Suite 100 Torrance, CA 90501	Lawsuit claim	This claim is disputed.	Unknown
Tiana Burris Account Number: 0097 c/o Castillo & Associates, Attorneys at Law 81-715 Highway 111, Suite C Indio, CA 92201	Lawsuit claim	This claim is disputed.	Unknown
Account Number:			\$0.00

Date: \_\_\_\_\_

\_\_\_\_\_  
Debtor

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

I, Carl L. Karcher, an authorized agent of CLK Human Resources, LLC named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Creditors Holding 20 Largest Unsecured Claims and that it is true and correct to the best of my information and belief.

Date: May 21, 2013

Carl L. Karcher  
Carl L. Karcher, Authorized Agent

# UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

In re: CLK Human Resources, LLC  
Debtor

Case No. \_\_\_\_\_  
(if known)

## STATEMENT OF FINANCIAL AFFAIRS

### 1. Income from employment or operation of business

None

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

Debtor:

Current Year (2013):  
\$21,109.00

Income from business

Previous Year 1 (2012):  
\$65,351.00

Income from business

Previous Year 2 (2011):  
\$57,262.00

Income from business

Joint Debtor:

N/A

### 2. Income other than from employment or operation of business

None

State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE

### 3. Payments to creditors

*Complete a. or b., as appropriate, and c.*

None

a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of

- goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
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- None  *b. Debtor whose debts are not primarily consumer debts: List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225\*. If the debtor is an individual, indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)*

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
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Debtor:  
See attached list

- None  *c. All debtors: List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)*

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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Debtor: Carl L. Karcher	Last 12 months	\$447,776.05	
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Relationship to Debtor: Servicer

Kelly Thatcher	Last 12 months	\$115,114.74	
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Relationship to Debtor: Servicer

Paula Karcher	Last 12 months	\$28,375.00	
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Relationship to Debtor: Servicer

Carl J. Karcher	Last 12 months	\$48,042.41	
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\* Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

Relationship to Debtor: Servicer

**4. Suits and administrative proceedings, executions, garnishments and attachments**

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Debtor: Maryann Bautista v. CLK Human Resources, LLC, Carl's Jr., Inc. Case Number: CIVDS 1006193	Sexual Harrassment	San Bernardino County Superior Court San Bernardino	Settlement
Tiana Burris vs. Carl's Jr. Employers Insurance Case Number: ADJ8390097	Wrongful Termination	Workers Compensation Appeals Board for State of California 3737 Main Street, 3rd Floor, Riverside, CA 92517	Pending
Maryann Bautista v. Carl's Jr. Inc., et.al. Case Number: CIVDS 1007587	Breaches of Cal. Labor Code - Class Action	Superior Court of the State of California San Bernardino County	Pending

None

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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**5. Repossessions, foreclosures and returns**

None

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
--	--	-----------------------------------

**6. Assignments and receiverships**

None  a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
---------------------------------	-----------------------	---

None  b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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**7. Gifts**

None  List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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**8. Losses**

None  List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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**9. Payments related to debt counseling or bankruptcy**

None  List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy

within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
Debtor: Friedman Law Group, P.C. 1900 Avenue of the Stars, Suite 1100 Los Angeles, CA 90067	April 22, 2013	\$75,000.00 Retainer

**10. Other transfers**

None  a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None  b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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**11. Closed financial accounts**

None  List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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**12. Safe deposit boxes**

None  List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or

chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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**13. Setoffs**

None  List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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**14. Property held for another person**

None  List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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**15. Prior address of debtor**

None  If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
Debtor: 72875 Fred Waring Drive Palm Desert, CA 92260	Debtor	June 2001 to August 2012

**16. Spouses and Former Spouses**

None  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 **eight years** 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.

NAME

**17. Environmental Information.**

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites. "

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
--	---------------	--------------------------

**18 . Nature, location and name of business**

None

a. *If the debtor is an individual*, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

*If the debtor is a partnership*, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.



*If the debtor is a corporation, list the names, addresses, taxpayer-identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within six years immediately preceding the commencement of this case.*

NAME	LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Debtor: CLK Human Resources, LLC	/	72-295 Manufacturing Road Thousand Palms, CA 92276	Employee Leasing	Beginning Date: 6/27/2001 Ending Date: N/A

None  b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within six years immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

**19. Books, records and financial statements**

None  a. List all bookkeepers and accountants who within two years immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES SERVICES RENDERED
Debtor: David A. Cooper, CPA 72775 Frank Sinatra Drive, Suite C Rancho Mirage, CA 92270	Ongoing tax service

None  b. List all firms or individuals who within two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICES RENDERED
Debtor:		
N/A		

None  c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
Debtor: David A. Cooper CPA	72775 Frank Sinatra Drive, Suite C Rancho Mirage, CA 92270

None  d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within two years immediately preceding the commencement of this case.

NAME AND ADDRESS	DATE ISSUED
Debtor: N/A	

**20. Inventories**

None  a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
Debtor: N/A		

None  b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
Debtor: N/A	

**21. Current Partners, Officers, Directors and Shareholders**

None  a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
N/A		

None  b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
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Carl L. Karcher

Membership  
100

**22. Former partners, officers, directors and shareholders**

None

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
N/A		

None

b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
N/A		

**23 . Withdrawals from a partnership or distributions by a corporation**

None

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
N/A		

**24. Tax Consolidation Group.**

None

If the debtor is a corporation, list the name and federal taxpayer-identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER-IDENTIFICATION NUMBER (EIN)
N/A	

**25. Pension Funds.**


None

If the debtor is not an individual, list the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER-IDENTIFICATION NUMBER (EIN)
CLK Human Resources, LLC Defined Benefit Pension	20-5174341

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I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 5-17-13 Signature   
Print Name and Title Carl L. Karcher, Manager

0 continuation sheets attached

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

Form 7-3(10) Attachment

CLK HUMAN RESOURCES LLC  
Transaction List by Vendor  
February 21 through May 21, 2013

Type	Date	Num	Memo	Account	Amount
ADP, Inc.					
Bill	04/05/2013	41980582	41980582	Accounts Payable	-2,156.60
Bill	05/10/2013	421033110	421033110	Accounts Payable	-682.80
Anthem Blue Cross					
Check	03/07/2013	7652	275896H001	1-1100 - WFB - 0974 Man Ctg	-21,721.96
Check	04/04/2013	7665	275896H001	1-1100 - WFB - 0974 Man Ctg	-25,605.76
Check	04/17/2013	275896H001	275896H001	Accounts Payable	-22,322.06
Bill	05/17/2013			Accounts Payable	-24,619.26
BRAUN					
Check	05/01/2013	7668		1-1100 - WFB - 0974 Man Ctg	-8,000.00
Bullhead Urgent Care					
Check	03/21/2013	7659	611721873	1-1100 - WFB - 0974 Man Ctg	-696.00
CLK Inc					
Bill	05/07/2013		car registration	Accounts Payable	-598.00
Eisenhower Occupational Health					
Bill	04/17/2013	259733-001	259733-001	Accounts Payable	-351.37
Bill	04/17/2013	259733-002	259733-002	Accounts Payable	-220.00
Emplicity					
Check	02/25/2013			1-1100 - WFB - 0974 Man Ctg	-7,017.36
Check	03/11/2013		PR PE 03/11/13	1-1100 - WFB - 0974 Man Ctg	-8,113.50
Check	02/25/2013		PR PE 03/25/2013	1-1100 - WFB - 0974 Man Ctg	-7,378.57
Check	04/09/2013			1-1100 - WFB - 0974 Man Ctg	-7,497.81
Check	04/22/2013		PR PE 04/22/13	1-1100 - WFB - 0974 Man Ctg	-7,414.88
Check	05/06/2013		PR PE 05/06/13	1-1100 - WFB - 0974 Man Ctg	-7,391.02
Employers Compensation Insurance Company					
Check	02/22/2013	7643	EIG 1400247, 1423345, 1400567, 400611	1-1100 - WFB - 0974 Man Ctg	-41,386.36
Check	03/21/2013	7657	EIG 1400247, 1423345, 1400567, 400611	1-1100 - WFB - 0974 Man Ctg	-41,386.36
Bill	04/10/2013		EIG 1400247	Accounts Payable	-33,293.36
Bill	04/10/2013		EIG 1423345	Accounts Payable	-3,239.63
Bill	05/10/2013		EIG 1400247	Accounts Payable	-33,938.30
Bill	05/10/2013		EIG 1423345	Accounts Payable	-3,741.88
Bill	05/10/2013		EIG 1400611	Accounts Payable	-870.11
Fisher & Phillips, LLC					
Check	03/22/2013	7661		1-1100 - WFB - 0974 Man Ctg	-15,000.00
Fitzgerald & Mule					
Bill	03/29/2013		17983,18002,18003	Accounts Payable	-35,112.87
Ford Credit					
Check	02/22/2013	7644	Acct # 48123659	1-1100 - WFB - 0974 Man Ctg	-544.02
Check	03/21/2013	7659	48123659	1-1100 - WFB - 0974 Man Ctg	-544.02
Bill	04/02/2013	48123659	48123659	Accounts Payable	-544.02
Bill	05/04/2013	2013-05		Accounts Payable	-544.02
FRANCHISE TAX BOARD					
Check	04/04/2013	7663	CLKH 33-0980631	1-1100 - WFB - 0974 Man Ctg	-800.00
Friedman Law Group, PC					
Check	04/19/2013	7666		1-1100 - WFB - 0974 Man Ctg	-75,000.00
Guardian					
Check	03/07/2013	7653	00458160	1-1100 - WFB - 0974 Man Ctg	-2,081.28
Check	04/04/2013	7664	00458160	1-1100 - WFB - 0974 Man Ctg	-2,314.60
Bill	04/22/2013		00458160	Accounts Payable	-2,370.91
Maryann Beustista					
Bill	04/19/2013	100		Accounts Payable	-350,000.00
Mercedes-Benz Financial					
Check	02/22/2013	7645	7003284773	1-1100 - WFB - 0974 Man Ctg	-1,736.57
Check	02/22/2013	7646	7002841521 - lease end statement	1-1100 - WFB - 0974 Man Ctg	-1,828.95
Check	03/07/2013	7654	7003284773	1-1100 - WFB - 0974 Man Ctg	-1,786.53

CLK HUMAN RESOURCES LLC  
Transaction List by Vendor  
February 21 through May 21, 2013

1:35 PM  
05/20/13

	Type	Date	Num	Memo	Account	Amount
	Check	04/04/2013	7662	7003284773	1-1100 -WFB - 0974 Man Ctg	-1,736.53
	Bl	04/26/2013	7003284773	7003284773	Accounts Payable	-1,736.53
Sharon Frye	Check	05/01/2013	7667		1-1100 -WFB - 0974 Man Ctg	-234.00
Sierra Medical Center	Check	03/21/2013	7660	789351731	1-1100 -WFB - 0974 Man Ctg	-212.53
State Board of Equalization	Bl	02/22/2013	2013-Tax		Accounts Payable	-4,541.10
STATE FARM INSURANCE	Check	02/22/2013	7647	145 8236-C12-55E	1-1100 -WFB - 0974 Man Ctg	-512.34
Sutton Leasing, Inc.	Check	03/07/2013	7651	Cur # 1235	1-1100 -WFB - 0974 Man Ctg	-1,944.31
Torrey Partners	Bl	04/09/2013	11227	Bautista v. Carl Jr. Inc.	Accounts Payable	-51,862.00
Union Leasing, Inc.	Check	03/07/2013	7650	80733	1-1100 -WFB - 0974 Man Ctg	-734.78
	Bl	03/20/2013		80733	Accounts Payable	-734.78
	Bl	04/20/2013		80733	Accounts Payable	-734.73
US Bank	Check	03/01/2013	auto draft		1-1100 -WFB - 0974 Man Ctg	-1,282.03
	Check	04/01/2013	auto draft		1-1100 -WFB - 0974 Man Ctg	-1,282.03
	Bl	04/30/2013	2013-04		Accounts Payable	-773.18
	Check	05/01/2013	auto draft		1-1100 -WFB - 0974 Man Ctg	-1,282.03
Wells Fargo	Bl	04/12/2013	8152853	8152853	Accounts Payable	-3,662.29
	Bl Pmt-Check	04/30/2013		8152853	1-1100 -WFB - 0974 Man Ctg	-3,662.29
Wells Fargo Equipment	Bl Pmt-Check	04/30/2013		VOID, 8152853	1-1000 - Cash	0.00
WFB - Client Analysis	General Journal	03/11/2013		Banking Fee	1-1100 -WFB - 0974 Man Ctg	-751.21
	General Journal	04/11/2013		Banking Fee	1-1100 -WFB - 0974 Man Ctg	-755.52
	General Journal	05/13/2013		Banking Fee	1-1100 -WFB - 0974 Man Ctg	-1,035.29

# United States Bankruptcy Court

CENTRAL DISTRICT OF CALIFORNIA

In re

**CLK Human Resources, LLC**

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

Debtor

Chapter 11

## DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR

1. Pursuant to 11 U.S.C. § 329(a) and Fed. Bankr. P. 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>150,000.00</u>
Prior to the filing of this statement I have received .....	\$ <u>75,000.00</u>
Balance Due .....	\$ <u>75,000.00</u>

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

Debtor                       Other (specify)

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 other 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, statements 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;~~

**DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR (Continued)**

d. ~~Representation of the debtor in adversary proceedings and other contested bankruptcy matters;~~-----

e. [Other provisions as needed]

**None**

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

**None**

**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 proceedings.

5/17/13  
Date

  
\_\_\_\_\_  
J. Bennett Friedman, Esq.  
Signature of Attorney

Friedman Law Group, P.C.  
Name of law firm



**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA**

In Re:  
CLK Human Resources, LLC,  
Debtor

Case No.

**LIST OF EQUITY SECURITY HOLDERS**

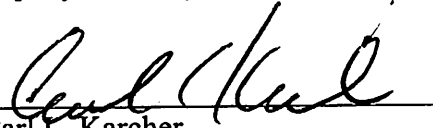
Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007, Fed. R. Bank. P. for filing in this Chapter 11 case.

Security Holder's Registered Name and Last Known Address or Place of Business	Class of Security	Number of Securities or Percentage	Kind of Interest
None			

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

I, Carl L. Karcher, Manager 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: 5-17-13

Signature:   
Printed Name: Carl L. Karcher  
Title: Manager

**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:

Case No. BKY

CLK Human Resources, LLC,

Debtor(s)

Chapter 11 Case

STATEMENT REGARDING AUTHORITY TO SIGN AND FILE PETITION

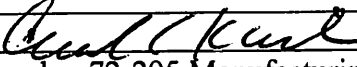
I, Carl L. Karcher, declare under penalty of perjury that I am the Managing Member of CLK Human Resources, LLC, a California corporation and that on May 17, 2013 the following resolution was duly adopted by the Manager of this corporation:

"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 Carl L. Karcher, Managing Member 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 Carl L. Karcher, Managing Member 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 Carl L. Karcher, Managing Member of this corporation, is authorized and directed to employ J. Bennett Friedman, Esq., attorney and the law firm of Friedman Law Group, P.C. to represent the corporation in such bankruptcy case."

Executed on: 5-17-13	Signed: 
	Carl L. Karcher 72-295 Manufacturing Road, Thousand Palms, CA 92276 (Name and Address of Subscriber)

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number <b>J. Bennett Friedman, Esq.</b> <b>Friedman Law Group, P.C.</b> <b>1900 Avenue of the Stars, 11th Floor</b> <b>Los Angeles, California 90067</b> <b>Phone: (310) 552-8210</b> <b>Fax: (310) 733-5442</b>	FOR COURT USE ONLY
<input checked="" type="checkbox"/> Attorney for: <b>CLK Human Resources, LLC</b>	
<b>UNITED STATES BANKRUPTCY COURT</b> <b>CENTRAL DISTRICT OF CALIFORNIA</b>	
In re: <b>CLK Human Resources, LLC</b>  Debtor.	CASE NO.: CHAPTER: <b>11</b> ADV. NO.:

**ELECTRONIC FILING DECLARATION  
(CORPORATION/PARTNERSHIP)**

- Petition, statement of affairs, schedules or lists
- Amendments to petition, statement of affairs, schedules or lists
- Other: \_\_\_\_\_

Date Filed: May 21, 2013  
 Date Filed: \_\_\_\_\_  
 Date Filed: \_\_\_\_\_

**PART I - DECLARATION OF AUTHORIZED SIGNATORY OF DEBTOR OR OTHER PARTY**

I, the undersigned, hereby declare under penalty of perjury that: (1) I have been authorized by the Debtor or other party on whose behalf the above-referenced document is being filed (Filing Party) to sign and to file, on behalf of the Filing Party, the above-referenced document being filed electronically (Filed Document); (2) I have read and understand the Filed Document; (3) the information provided in the Filed Document is true, correct and complete; (4) the "/s/," followed by my name, on the signature lines for the Filing Party in the Filed Document serves as my signature on behalf of the Filing Party and denotes the making of such declarations, requests, statements, verifications and certifications by me and by the Filing Party to the same extent and effect as my actual signature on such signature lines; (5) I have actually signed a true and correct hard copy of the Filed Document in such places on behalf of the Filing Party and provided the executed hard copy of the Filed Document to the Filing Party's attorney; and (6) I, on behalf of the Filing Party, have authorized the Filing Party's attorney to file the electronic version of the Filed Document and this Declaration with the United States Bankruptcy Court for the Central District of California.

  
 \_\_\_\_\_  
 Signature of Authorized Signatory of Filing Party

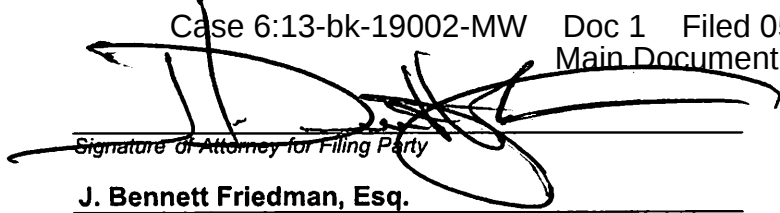
5-17-13  
 \_\_\_\_\_  
 Date

**Carl L. Karcher**  
 \_\_\_\_\_  
 Printed Name of Authorized Signatory of Filing Party

**Manager**  
 \_\_\_\_\_  
 Title of Authorized Signatory of Filing Party

**PART II - DECLARATION OF ATTORNEY FOR FILING PARTY**

I, the undersigned Attorney for the Filing Party, hereby declare under penalty of perjury that: (1) the "/s/," followed by my name, on the signature lines for the Attorney for the Filing Party in the Filed Document serves as my signature and denotes the making of such declarations, requests, statements, verifications and certifications to the same extent and effect as my actual signature on such signature lines; (2) an authorized signatory of the Filing Party signed the Declaration of Authorized Signatory of Debtor or Other Party before I electronically submitted the Filed Document for filing with the United States Bankruptcy Court for the Central District of California; (3) I have actually signed a true and correct hard copy of the Filed Document in the locations that are indicated by "/s/," followed by my name, and have obtained the signature of the authorized signatory of the Filing Party in the locations that are indicated by "/s/," followed by the name of the Filing Party's authorized signatory, on the true and correct hard copy of the Filed Document; (4) I shall maintain the executed originals of this Declaration, the Declaration of Authorized Signatory of Debtor or Other Party, and the Filed Document for a period of five years after the closing of the case in which they are filed; and (5) I shall make the executed originals of this Declaration, the Declaration of Authorized Signatory of Debtor or Other Party, and the Filed Document available for review upon request of the Court or other parties.



\_\_\_\_\_  
*Signature of Attorney for Filing Party*

\_\_\_\_\_  
Date

5/17/13

**J. Bennett Friedman, Esq.**

*Printed Name of Attorney for Filing Party*

**STATEMENT OF RELATED CASES  
INFORMATION REQUIRED BY LBR 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**

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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**

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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**

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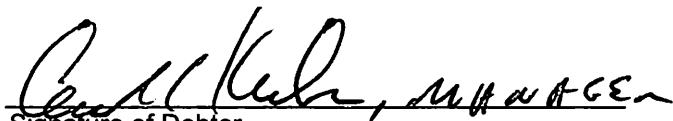
4. (If petitioner is an individual) A petition under the Bankruptcy Reform Act of 1978, including amendments thereof, has been filed by or against the debtor within the last 180 days: (Set forth the complete number and title of each such prior proceeding, date filed, nature of proceeding, the Bankruptcy 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**

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

Executed at Los Angeles, California

  
Signature of Debtor

Date: 5-17-13

\_\_\_\_\_  
Signature of Joint Debtor

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

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

Name J. Bennett Friedman, Esq.

Address 1900 Avenue of the Stars, 11th Floor, Los Angeles, California 90067

Telephone (310) 552-8210

- Attorney for Debtor(s)
- Debtor in Pro Per

#### UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

List all names including trade names used by Debtor(s) within last 8 years):

CLK Human Resources, LLC

Case No.:

Chapter: 11

#### 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 3 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: 5-17-13

Carl Karch, Manager  
Debtor

\_\_\_\_\_  
Attorney (if applicable)

\_\_\_\_\_  
Joint Debtor

ADP, Inc.  
One ADP Drive MS-100  
Augusta, GA 30909

Anthem Blue Cross  
PO Box 629  
Woodland Hills, CA 91365

Bank of Southern California  
12265 El Camino Real  
Suite 100  
San Diego, CA 92130

California Board of Equalization  
Special Taxes and Fees  
P.O. Box 942879  
Sacramento, CA 94279-6001

CLK Human Resources, LLC Defined Benefit  
72-295 Manufacturing Road  
Thousand Palms, CA 92276-6615

CLK, Inc.  
72295 Manufacturing Road  
Thousand Palms, CA 92276

EMC dba Eisenhower Occupational Health  
PO Box 843123  
Los Angeles, CA 90084-3123

Employers Compensation Insurance Company  
255 California St.  
Suite 900  
San Francisco, CA 94111-4920

Fitzgerald & Mule  
74-770 Highway 111  
Suite 205  
Indian Wells, CA 92210

Ford Motor Credit  
P.O. Box 650575  
Dallas, TX 75265-0575

Guardian Life Insurance Company of Ameri  
PO Box 13398  
Philadelphia, PA 19101-3398

Maryann Baustista  
c/o Rastegar & Matern, Attorneys at Law  
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Torrance, CA 90501

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Mercedes Benz Financial Services  
PO Box 5209  
Carol Stream, IL 60197-5209

Mercedes-Benz Financial Services  
PO Box 5209  
Carol Stream, IL 60197-5209

Nissan Motor Aceptance Corp.  
8900 Freeport Parkway  
Irving, TX 75063-2438

Tiana Burris  
c/o Castillo & Associates, Attorneys at  
81-715 Highway 111, Suite C  
Indio, CA 92201

Torrey Partner  
11452 El Camino Real  
Suite 110  
San Diego, CA 92130



Union Leasing  
P.O. Box 75850  
Chicago, IL 60675-5850

Union Leasing, Inc.  
PO Box 75850  
Chicago, IL 60675-5850

US Bank  
California Direct  
PO Box 790179  
St. Louis, MO 63179-0179

US Bank  
P.O. Box 790179  
St. Louis, MO 63179-0179

Wells Fargo Equipment Finance, Inc.  
733 Marquette Ave.  
Suite 700  
Minneapolis, MN 55402

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