

B1 (Official Form 1)(1/08)

**United States Bankruptcy Court
Northern District of Georgia**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Dalton Rug Outlet, Inc.	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): DBA Real Deals on Rugs	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) No./Complete EIN (if more than one, state all) 20-0159888	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): 28 Epps Street Jefferson, GA	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code 30549	ZIP Code
County of Residence or of the Principal Place of Business: Jackson	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIP Code	ZIP Code

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

Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <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.)	Nature of Business (Check one box) <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 <hr/> Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <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 Nature of Debts (Check one box) <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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Filing Fee (Check one box) <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.	Chapter 11 Debtors 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 type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000. 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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Statistical/Administrative Information

Debtor estimates that funds will be available for distribution to unsecured creditors.
 Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000

Estimated Assets

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

Estimated Liabilities

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

THIS SPACE IS FOR COURT USE ONLY

<p>Voluntary Petition</p> <p><i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): Dalton Rug Outlet, Inc.</p>
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All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed: - None -	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: - None -	Case Number:	Date Filed:
District:	Relationship:	Judge:

<p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p>
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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 in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

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

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

Name of Debtor(s):
Dalton Rug Outlet, Inc.

Signatures

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

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

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

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

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

(Check only one box.)

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

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

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Attorney*

X /s/ Grace M. Tillman
Signature of Attorney for Debtor(s)

Grace M. Tillman 343005
Printed Name of Attorney for Debtor(s)

Remler Tillman Law Group, P.C.
Firm Name

3331 N. Berkeley Lake Road
Suite 110
Duluth, GA 30096

Address

Email: gracetillman@charter.net

404-365-6565 Fax: 404-365-6552
Telephone Number

January 7, 2010
Date

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

Signature of Non-Attorney Bankruptcy Petition Preparer

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

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

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

Address

X _____
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

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

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

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

Signature of Debtor (Corporation/Partnership)

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

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

X /s/ Mehmet Ozbay
Signature of Authorized Individual

Mehmet Ozbay
Printed Name of Authorized Individual

President
Title of Authorized Individual

January 7, 2010
Date

B4 (Official Form 4) (12/07)

**United States Bankruptcy Court
Northern District of Georgia**

In re **Dalton Rug Outlet, Inc.**

Debtor(s)

Case No. _____

Chapter **11**

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

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

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
American Express PO Box 650448 Dallas, TX 75265	American Express PO Box 650448 Dallas, TX 75265	Credit card purchases		121,746.47
Barwood Logistics, Inc. PO Box 15271 Wilmington, NC 28408	Barwood Logistics, Inc. PO Box 15271 Wilmington, NC 28408	Business Goods		400.00
Berkline/Benchcraft PO Box 6003 Morristown, TN 37815-6003	Berkline/Benchcraft PO Box 6003 Morristown, TN 37815-6003	Business Goods		25,142.63
Blasingame Burch Garrard Ashle PO Box 832 Athens, GA 30603	Blasingame Burch Garrard Ashle PO Box 832 Athens, GA 30603	Legal Services		Unknown
Canteen Refreshment Services 1120 Vend Drive Bogart, GA 30622	Canteen Refreshment Services 1120 Vend Drive Bogart, GA 30622	Business Goods		254.66
Chromcraft-Revington Corporati PO Box 220 Lincolnton, NC 28093	Chromcraft-Revington Corporati PO Box 220 Lincolnton, NC 28093	Judgment		278,281.90
Concord Global Trading, Inc. 295 Fifth Avenue, Suite 1503 New York, NY 10016	Concord Global Trading, Inc. 295 Fifth Avenue, Suite 1503 New York, NY 10016	Business Loan		396,289.91
Dimplex North America, LTD 221 South Franklin Rd Suite 300 Indianapolis, IN 46219	Dimplex North America, LTD 221 South Franklin Rd Suite 300 Indianapolis, IN 46219	Business Goods		8,556.80
FIA Card Services PO Box 851001 Dallas, TX 75285-1001	FIA Card Services PO Box 851001 Dallas, TX 75285-1001	Credit card purchases		36,573.49
Georgia Department of Revenue PO Box 740399 Atlanta, GA 30374-0399	Georgia Department of Revenue PO Box 740399 Atlanta, GA 30374-0399			Unknown

B4 (Official Form 4) (12/07) - Cont.
 In re **Dalton Rug Outlet, Inc.**

Case No. _____

Debtor(s) _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
 (Continuation Sheet)

(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>
Georgia Department of Revenue Sales and Use Tax Division PO Box 105408 Atlanta, GA 30348-5408	Georgia Department of Revenue Sales and Use Tax Division PO Box 105408 Atlanta, GA 30348-5408			Unknown
Home Fashion International 295 Fifth Ave Suite 812 New York, NY 10016	Home Fashion International 295 Fifth Ave Suite 812 New York, NY 10016	Business Goods		16,822.00
Imperial Rugs 2615 Mountain Industrial Blvd. Ste #11 Tucker, GA 30084	Imperial Rugs 2615 Mountain Industrial Blvd. Ste #11 Tucker, GA 30084	Business Goods		1,256.00
Jaipur PO Box 890524 Charlotte, NC 28289-0524	Jaipur PO Box 890524 Charlotte, NC 28289-0524	Business Goods		56,894.58
Kids World PO Box 1250 Calhoun City, MS 38916	Kids World PO Box 1250 Calhoun City, MS 38916	Business Goods		1,639.08
Merinos Factory c/o Merinos Furniture & Carpet 5840 Lancaster Hwy Fort Lawn, SC 29714	Merinos Factory c/o Merinos Furniture & Carpet 5840 Lancaster Hwy Fort Lawn, SC 29714	Business Goods		1,026,946.96
Merinos Furniture and Carpet, 5840 Lancaster Hwy Fort Lawn, SC 29714	Merinos Furniture and Carpet, 5840 Lancaster Hwy Fort Lawn, SC 29714	Business Goods		94,739.50
Nourisan 5 Sampson Street Saddle Brook, NJ 07663	Nourisan 5 Sampson Street Saddle Brook, NJ 07663	Business Goods		3,230.83
United Furniture Indust, Inc 431 Highway 41 East PO Box 308 Okolona, MS 38860	United Furniture Indust, Inc 431 Highway 41 East PO Box 308 Okolona, MS 38860	Business Goods		32,358.60
World Imports, LTD 1100 Roosevelt Blvd Philadelphia, PA 19116	World Imports, LTD 1100 Roosevelt Blvd Philadelphia, PA 19116	Business Goods		8,308.16

B4 (Official Form 4) (12/07) - Cont.
In re **Dalton Rug Outlet, Inc.**

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

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

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

Date **January 7, 2010**

Signature **/s/ Mehmet Ozbay**
Mehmet Ozbay
President

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.

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

In re Dalton Rug Outlet, Inc. Case No. _____
 Debtor

SCHEDULE A - REAL PROPERTY

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

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

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

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
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None

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

0 continuation sheets attached to the Schedule of Real Property

In re Dalton Rug Outlet, Inc.

Case No. _____

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

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

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

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

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

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

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

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

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

Domestic support obligations

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

Extensions of credit in an involuntary case

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

Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

Contributions to employee benefit plans

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

Certain farmers and fishermen

Claims of certain farmers and fishermen, up to \$5,400* 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 \$2,425* 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 April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

B6E (Official Form 6E) (12/07) - Cont.

In re Dalton Rug Outlet, Inc.
Debtor

Case No. _____

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

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

TYPE OF PRIORITY

CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
								AMOUNT ENTITLED TO PRIORITY
Account No.								
Georgia Department of Revenue PO Box 740399 Atlanta, GA 30374-0399	-						Unknown	Unknown
Account No.							Unknown	Unknown
Georgia Department of Revenue Sales and Use Tax Division PO Box 105408 Atlanta, GA 30348-5408	-						Unknown	0.00
Account No.								
IRS Department of Treasury Atlanta, GA 39901	-						Unknown	Unknown
Account No.								
IRS -- Insolvency PO Box 21126 Philadelphia, PA 19114	-						Unknown	Unknown
Account No.								

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

Subtotal (Total of this page)	0.00	0.00
Total (Report on Summary of Schedules)	0.00	0.00

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

In re Dalton Rug Outlet, Inc.
Debtor

Case No. _____

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

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

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

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

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

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W J C					
Account No. xxxx-xxxxxx-x1008 American Express PO Box 650448 Dallas, TX 75265							121,746.47
Account No. Barwood Logistics, Inc. PO Box 15271 Wilmington, NC 28408							400.00
Account No. Berkline/Benchcraft PO Box 6003 Morristown, TN 37815-6003							25,142.63
Account No. Blasingame Burch Garrard Ashle PO Box 832 Athens, GA 30603							Unknown
Subtotal (Total of this page)							147,289.10

3 continuation sheets attached

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

In re Dalton Rug Outlet, Inc., Case No. _____
 Debtor

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W J C				
Account No.		Business Goods				
Canteen Refreshment Services 1120 Vend Drive Bogart, GA 30622	-					254.66
Account No.		Judgment				
Chromcraft-Revington Corporati PO Box 220 Lincolnton, NC 28093	-					278,281.90
Account No.		Business Loan				
Concord Global Trading, Inc. 295 Fifth Avenue,Suite 1503 New York, NY 10016	-					396,289.91
Account No.		Business Goods				
Dimplex North America, LTD 221 South Franklin Rd Suite 300 Indianapolis, IN 46219	-					8,556.80
Account No. xxxx-xxxx-xxxx-2996		Credit card purchases				
FIA Card Services PO Box 851001 Dallas, TX 75285-1001	-					36,573.49
Sheet no. <u>1</u> of <u>3</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims					Subtotal (Total of this page)	719,956.76

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

In re Dalton Rug Outlet, Inc., Case No. _____
 Debtor

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B O R	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	
		H W J C					DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.
Account No. Home Fashion International 295 Fifth Ave Suite 812 New York, NY 10016		-	Business Goods			16,822.00	
Account No. Imperial Rugs 2615 Mountain Industrial Blvd. Ste #11 Tucker, GA 30084		-	Business Goods			1,256.00	
Account No. Jaipur PO Box 890524 Charlotte, NC 28289-0524		-	Business Goods			56,894.58	
Account No. Kids World PO Box 1250 Calhoun City, MS 38916		-	Business Goods			1,639.08	
Account No. Mehmet Ozbay 28 Epps Street Jefferson, GA 30549		-	Business Goods			Unknown	
Sheet no. <u>2</u> of <u>3</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims						Subtotal (Total of this page)	76,611.66

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

In re Dalton Rug Outlet, Inc., Case No. _____
 Debtor

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	Husband, Wife, Joint, or Community		C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
		H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
Account No. Merinos Factory c/o Merinos Furniture & Carpet 5840 Lancaster Hwy Fort Lawn, SC 29714							1,026,946.96
Account No. Merinos Furniture and Carpet, 5840 Lancaster Hwy Fort Lawn, SC 29714							94,739.50
Account No. Nourisan 5 Sampson Street Saddle Brook, NJ 07663							3,230.83
Account No. United Furniture Indust, Inc 431 Highway 41 East PO Box 308 Okolona, MS 38860							32,358.60
Account No. World Imports, LTD 1100 Roosevelt Blvd Philadelphia, PA 19116							8,308.16
Subtotal (Total of this page)							1,165,584.05
Total (Report on Summary of Schedules)							2,109,441.57

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

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
Atlanta Division

IN RE: **Dalton Carpet Outlet, Inc.**

Debtor/ Debtor in Possession

Case No: _____

CHAPTER 11

JUDGE _____

Disclosure of Compensation of Attorney for Debtor

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:
 - a. For legal services our firm has agreed to accept our usual and customary rates for hours spent on Debtor's case in accordance with the Employment Agreement.
 - b. Prior to the filing of this statement our firm received \$2,500.00 for pre-petition legal services and an additional \$7,500.00, to be held in Trust.
 - c. The Debtor will pay all fee applications in accordance with the Employment Agreement and Order of the Court.
2. The source of the compensation paid to me was: Debtor
3. The source of compensation to be paid to me is: the Debtor.
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.
5. In return for the above fee, I have agreed to render legal service for all aspects of the bankruptcy case, including: Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy; Preparation and filing of any petition, schedules, statement of affairs, plan and other documents which may be required; Representation of the debtor at the meeting of creditors and confirmation hearing, and any adjourned hearings thereof; Motions for relief from stay, Judicial Lien Avoidance, and any other adversary proceeding.

CERTIFICATION

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

Dated: January 7, 2010

/s/ Albert N. Remler, P.C.
Albert N. Remler, P.C. 600600
al@remlerlawgroup.com

Remler Tillman Law Group, P.C.
3331 North Berkeley Lake Rd, Ste 110
Duluth, GA 30096
404-365-6565

B6 Declaration (Official Form 6 - Declaration). (12/07)

**United States Bankruptcy Court
Northern District of Georgia**

In re **Dalton Rug Outlet, Inc.** Debtor(s) Case No. _____ Chapter **11**

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 15 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **January 7, 2010**

Signature **/s/ Mehmet Ozbay**
Mehmet Ozbay
President

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
Northern District of Georgia**

In re Dalton Rug Outlet, Inc.
Debtor

Case No. _____
Chapter 11

LIST OF EQUITY SECURITY HOLDERS

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

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
George Bulat 28 Epps Street Jefferson, GA 30549	Common Stock	25%	
Gulben Aksu 28 Epps Street Jefferson, GA 30549	Common Stock	25%	
Mehmet Ozbay 28 Epps Street Jefferson, GA 30549	Common Stock	50%	

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President 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 January 7, 2010

Signature /s/ Mehmet Ozbay
Mehmet Ozbay
President

*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
Northern District of Georgia**

In re **Dalton Rug Outlet, Inc.**

Debtor(s)

Case No.

Chapter

11

VERIFICATION OF CREDITOR MATRIX

I, the President of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: **January 7, 2010**

/s/ Mehmet Ozbay

Mehmet Ozbay/President

Signer/Title

American Express
PO Box 650448
Dallas, TX 75265

Barwood Logistics, Inc.
PO Box 15271
Wilmington, NC 28408

Berkline/Benchcraft
PO Box 6003
Morristown, TN 37815-6003

Blasingame Burch Garrard Ashle
PO Box 832
Athens, GA 30603

Canteen Refreshment Services
1120 Vend Drive
Bogart, GA 30622

Chromcraft-Revington Corporati
PO Box 220
Lincolnton, NC 28093

Concord Global Trading, Inc.
295 Fifth Avenue, Suite 1503
New York, NY 10016

Dimplex North America, LTD
221 South Franklin Rd
Suite 300
Indianapolis, IN 46219

FIA Card Services
PO Box 851001
Dallas, TX 75285-1001

Georgia Department of Revenue
PO Box 740399
Atlanta, GA 30374-0399

Georgia Department of Revenue
Sales and Use Tax Division
PO Box 105408
Atlanta, GA 30348-5408

Home Fashion International
295 Fifth Ave
Suite 812
New York, NY 10016

Imperial Rugs
2615 Mountain Industrial Blvd.
Ste #11
Tucker, GA 30084

IRS
Department of Treasury
Atlanta, GA 39901

IRS -- Insolvency
PO Box 21126
Philadelphia, PA 19114

Jaipur
PO Box 890524
Charlotte, NC 28289-0524

Jaipur Rug, Inc.
1500 Southland Circle
Suite H
Atlanta, GA 30318

John T. Vian, Esq.
Smith, Gambrell & Russell, LLP
1230 Peachtree St, NE Ste 3100
Atlanta, GA 30309-3592

Kids World
PO Box 1250
Calhoun City, MS 38916

Mark Nestor, Esq.
3690 Holcomb Bridge Rd
Norcross, GA 30092

Mehmet Ozbay
28 Epps Street
Jefferson, GA 30549

Merinos Factory
c/o Merinos Furniture & Carpet
5840 Lancaster Hwy
Fort Lawn, SC 29714

Merinos Furniture and Carpet,
5840 Lancaster Hwy
Fort Lawn, SC 29714

Nourisan
5 Sampson Street
Saddle Brook, NJ 07663

Peters Revington
Jim Malone
1100 N. Washington PO Box 238
Delphi, IN 46923-0238

Regions Bank
15 Lee Street
Jefferson, GA 30549

United Furniture Indust, Inc
431 Highway 41 East
PO Box 308
Okolona, MS 38860

Wachovia Bank, NA
Commerical Loan Services
PO Box 740502
Atlanta, GA 30374-0502

World Imports, LTD
1100 Roosevelt Blvd
Philadelphia, PA 19116

**United States Bankruptcy Court
Northern District of Georgia**

In re Dalton Rug Outlet, Inc.

Debtor(s)

Case No.

Chapter

11

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for Dalton Rug Outlet, Inc. in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

None [*Check if applicable*]

January 7, 2010

Date

/s/ Grace M. Tillman

Grace M. Tillman 343005

Signature of Attorney or Litigant
Counsel for Dalton Rug Outlet, Inc.

Remler Tillman Law Group, P.C.

3331 N. Berkeley Lake Road

Suite 110

Duluth, GA 30096

404-365-6565 Fax:404-365-6552

gracetillman@charter.net