

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In re:)
Pyramid Quality Solutions & Innovations, Inc.) Case No: 18-52932
(01-0560606))
2075 W. Big Beaver Rd., Suite 415) Chapter 11
Troy, MI 48084)
Debtor-in-Possession) Hon. Mark A. Randon

**DEBTOR-IN-POSSESSION'S FIRST DAY MOTION FOR ORDER
AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE
PROTECTION**

NOW COMES Debtor-in-Possession, Pyramid Quality Solutions & Innovations, Inc., by and through Counsel, and for its First Day Motion for Order Authorizing Use of Cash Collateral and Granting Adequate Protection states as follows:

1. Debtor-in-Possession, Pyramid Quality Solutions & Innovations, Inc. ("Debtor"), a Michigan corporation, filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, et seq. ("Code") on September 18, 2018 ("Petition Date").
2. A committee of creditors holding unsecured claims has not been appointed in accordance with Section 1102 of the Code.
3. Debtor is authorized to operate its business under sections 1107 and 1108 of the Bankruptcy Code.
4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. 1334(b), 11 U.S.C. 363 and L.B.R. 4001-2(a) (E.D.M.).
5. This matter is a core proceeding pursuant to 28 U.S.C. 157(b)(2)(M).
6. The Debtor, a Michigan corporation, is involved primarily in the business of quality and industrial engineering for various Tier I, Tier II, military, and other suppliers. In essence,

the Debtor provides services such as sorting and inspection and other problem solving services when parts are defective, an assembly line stops, and the problem needs to be located and “contained.” Also, Debtor performs logistics for the military.

7. The Debtor does have an office building, with the regular accoutrements, including computers, and other office furniture, and supplies. The business does not have its own capital equipment. The Debtor basically supplies the trained workforce to go to various customer locations to perform the containment work.
8. In recent months, a very large customer was lost, causing immediate cash flow problems when the business did not adjust its workforce quickly enough to accommodate the loss in revenue. This led the business to seek short term loans to make ends meet. Not surprisingly, this led to further cash flow problems, and further short terms loans.
9. More recently, the Debtor has its existing work, and has located new customers for its services. However, the cash crunch became so acute that the Debtor now needs bankruptcy relief to adjust its debt.
10. The business is currently located at 2075 W. Big Beaver Rd., Suite 415, Troy, MI 48084.
11. The Debtor has commenced this case to facilitate a reorganization of its operations, and believes its efforts through this Chapter 11 Case will maximize recovery to all creditors and other parties in interest.
12. Various creditors of the Debtor have filed UCC statements, which the Debtor has attached. The Debtor has some forms of money, deposits, receivables, accounts, and the like which may constitute cash collateral for these creditors.
13. The creditors who may have cash collateral are Huntington Bank, On Deck Capital, Inc., Forward Financing, Funding Metrics, L.L.C. (d/b/a Lendini), and LG Funding L.L.C. all

of which appear to have some sort of collateral in the form of accounts, deposit accounts, contract rights, cash, etc.

14. Debtor's business consists of performing services described above and Debtor has a large amount of account receivables for services rendered. Debtor is generally paid on a weekly to monthly basis depending on the customer and must pay employees either weekly or bi-weekly depending on where the customer is located.
15. Debtor's business is the provision of services through its employees and without the use of cash collateral, Debtor may be unable to continue to engage in its business and file a feasible plan of reorganization and to meet its ongoing expenses.
16. Debtor needs the use of the funds (which may constitute receivables) to run its business operations – including paying employees, withholding and FICA taxes, insurance, union dues, and all the other normal business expenses. Without the use of said cash collateral on an expedited basis, Debtor fears that it may become unable to pay its employees, taxes, etc. described above.
17. Debtor likely will be unable, in the ordinary course of business or otherwise, to obtain unsecured credit under §§ 364(a) and 503(b)(1) of the Code and needs use of cash collateral to continue operations.
18. As set forth in the attached Affidavit, Debtor estimates that its current cash collateral needs are approximately \$225,000.00 on an interim emergency basis for the month of October to avoid irreparable harm.
19. As a condition of use of the aforesaid cash collateral, the aforementioned secured creditors are entitled to adequate protection pursuant to §§ 361 and 363 of the Bankruptcy Code.

20. L.B.R. 4001-2(a) (E.D.M.) provides in part:

A motion for use of cash collateral under 11 U.S.C. §363(c)(2) or to obtain credit under 11 U.S.C. §364(c) or (d) shall explicitly state the adequate protection offered the creditor, the moving party's position as to the value of each of the secured interests to be protected, and shall contain a summary of the other essential terms of the proposed use of cash collateral or post-petition financing...

21. Debtor has attached projections for the months of September 2018 through February

2019. Those projections are based on the inclusion of a major new customer which was recently brought on. See Exhibit C.

22. Debtor proposes to pay the secured creditors the following amounts as adequate protection:

| | |
|-----------------------------------|------------|
| The Huntington Bank NA. | \$2,000.00 |
| On Deck Capital Inc. | \$500.00 |
| Forward Financing | \$500.00 |
| Funding Metrics LLC d/b/a Lendini | \$500.00 |
| LG Funding LLC | \$500.00 |

23. Pursuant to Bankruptcy Rule 4001(b)(2) and Local Bankruptcy Rules 4001-2 and 9013-4, Debtor requests that the Court enter an order on a preliminary basis authorizing Debtor's use of cash collateral and granting adequate protection immediately. Entry of such an order is essential for the Debtor to continue receivables for services rendered and would avoid immediate and irreparable harm to the Debtor.

24. Pursuant to Local Bankruptcy Rule 4001-2(c) (E.D.M.), Debtor states the following in support of its request for a preliminary order granting such authorization: a. the creditors identified in paragraph (22) are the only creditors with any interest in cash collateral. b.

The requirements of Local Bankruptcy Rule 4001-2(c)(3) through (5) are addressed in the

proposed order attached as Exhibit A. c. Debtor has attached an affidavit as Exhibit B satisfying the requirement of Local Bankruptcy Rule 4001-2(c)(6).

WHEREFORE, Debtor-in-Possession respectfully requests that this Court enter an Order authorizing the use of cash collateral as set forth in the proposed Order attached hereto.

Respectfully Submitted,

/s/ Edward J. Gudeman

Edward J. Gudeman (P-14454)

Brian A. Rookard (P-69836)

Gudeman and Associates, P.C.

Counsel for Debtor-in-Possession

1026 West 11 Mile Road

Royal Oak, MI 48067

Telephone: 248-546-2800

ejgudeman@gudemanlaw.com

Dated: September 24, 2018

| | | |
|--|--|-----------------|
| (3) Provisions that establish a procedure or conditions for relief from the automatic stay. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (4) Provisions regarding the validity or perfection of a secured creditor's prepetition liens or that release claims against a secured creditor. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (5) Provisions that prime any lien without that lienholder's consent. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (6) Provisions that relate to a sale of substantially all of the debtor's assets. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (7) Provisions for the payment of professional fees of the debtor or any committees, including any carve-outs for such payments. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (8) Provisions for the payment of prepetition debt. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (9) Provisions that waive the debtor's exclusive right to file or solicit acceptances of a plan during the time periods specified in 11 U.S.C. § 1121. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (10) Provisions that require the debtor's plan to be on terms acceptable to the secured creditor. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (11) Provisions that require or prohibit specific terms in the debtor's plan. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |

| | | |
|---|--|-----------------|
| (12) Provisions establishing that proposing a plan inconsistent with the order constitutes a default. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (13) Provisions that waive surcharge under 11 U.S.C. § 506(c). | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (14) Provisions that address the rights and obligations of guarantors or co-obligors. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (15) Provisions that prohibit the debtor from seeking approval to use cash collateral without the secured creditor's consent. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (16) Provisions that purport to bind a subsequent trustee. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |
| (17) Provisions that obligate the debtor to pay any of a secured creditor's professional fees. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Page ____, ¶ __ |

Respectfully Submitted,

/s/ Edward J. Gudeman
Edward J. Gudeman (P-14454)
Brian A. Rookard (P-69836)
Gudeman and Associates, P.C.
Counsel for Debtor-in-Possession
1026 West 11 Mile Road
Royal Oak, MI 48067
Telephone: 248-546-2800
ejgudeman@gudemanlaw.com

Dated: September 24, 2018

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In re:)
Pyramid Quality Solutions & Innovations, Inc.) Case No: 18-52932
(01-0560606))
2075 W. Big Beaver Rd., Suite 415) Chapter 11
Troy, MI 48084)
Debtor-in-Possession) Hon. Mark A. Randon

**(PROPOSED) ORDER AUTHORIZING DEBTOR'S USE OF CASH COLLATERAL
AND GRANTING ADEQUATE PROTECTION**

This issue having come before this Court on the Debtor's Motion for Order Authorizing Use of Cash Collateral and Granting Adequate Protection, this Court having reviewed the Motion and this Order, and being otherwise duly apprised in the premises:

THEREFORE, IT IS ORDERED that the recital of facts as stated in Debtor's Motion are adopted by this Court as its findings of fact and that the Motion is granted and Debtor is authorized to use Cash Collateral as of the Petition Date, in accordance with the following provisions:

1. Solely in accordance with the terms and conditions below, the Debtor is authorized to receive, collect, and make use of the Cash Collateral in its possession and that it receives in the ordinary course of its business. Such use of the Cash Collateral shall be as needed for the reasonable and necessary operating expenses incurred in the ordinary course of the Debtor's business, including, but not limited to, current taxes incurred after the Petition Date, personal property taxes whether incurred before or after the "Petition Date," employee salaries, unpaid withholding taxes for the last pay period before any pay periods after the "Petition Date," property insurance and other insurance, union dues, utilities and other ordinary course charges necessary for Debtor's operations, U.S. Trustee

quarterly fees and court approved fees and expenses of professionals retained by the Debtor.

2. The maximum amount of cash collateral necessary to avoid immediate and irreparable harm is \$225,000.00. Debtor may use such cash collateral on an emergency basis only until the earlier of the date of the final hearing under paragraph (6) below or the date that the order would become a final order.
3. The following creditors shall receive monthly adequate protection payments beginning October 15, 2018, and every fifteenth (15th) of every month thereafter up through confirmation of any plan.

| | |
|-----------------------------------|------------|
| The Huntington Bank NA. | \$2,000.00 |
| On Deck Capital Inc. | \$500.00 |
| Forward Financing | \$500.00 |
| Funding Metrics LLC d/b/a Lendini | \$500.00 |
| LG Funding LLC | \$500.00 |

4. Within twenty-four (24) hours of the entry of this Order, Debtor shall serve this Order upon the U.S. Trustee, all secured creditors, any Committee formed in this case and the twenty (20) largest creditors.
5. Pursuant to Local Bankruptcy Rule 4001-2(c)(3) (E.D.M.), this Court shall hold a final hearing on entry of this Order as follows:

Date: _____

Time: _____

Location: The Courtroom of the Honorable Mark A. Randon, Room 1875, 211 W. Fort St., Detroit, MI 48226.

6. This Order is a preliminary order. Any objections to entry of this Order as a final order must be filed within fourteen (14) days from the entry of this order; except that an official committee may file objections within fourteen (14) days after it is served with the entered order. If any objections are filed timely, the hearing scheduled in the preceding paragraph of this Order shall be held as detailed. If no objections are timely filed, this Order may become a final Order.

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

In re:)
Pyramid Quality Solutions & Innovations, Inc.) Case No: 18-52932
(01-0560606))
2075 W. Big Beaver Rd., Suite 415) Chapter 11
Troy, MI 48084)
Debtor-in-Possession) Hon. Mark A. Randon

**AFFIDAVIT OF JACQUELINE BURKETTE IN SUPPORT OF DEBTOR’S FIRST DAY
MOTION RE: CASH COLLATERAL**

In support of the Debtor, Pyramid Quality Solutions & Innovations, Inc’s, First Day Motion For Authority to Use Cash Collateral, I hereby attest to the following:

1. I am the President of Pyramid Quality Solutions & Innovations, Inc. (the “Debtor”), a Michigan corporation founded in 2002.
2. Except as otherwise stated, I make this Affidavit upon personal knowledge, and if called as a witness, could competently testify to the facts contained herein.
3. Debtor filed for protection under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on September 21, 2018 (the “Petition Date”), in the United States Bankruptcy Court for the Eastern District of Michigan—Detroit.
4. The Debtor continues to operate its business and manage its assets as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. I have been informed by counsel that no request has been made for the appointment of a trustee or examiner, and no official committee has been appointed to date by the Office of the United States Trustee.
5. The Debtor’s business is located at 2075 W. Big Beaver Rd., Suite 415, Troy, MI 48084.
6. The Debtor, a Michigan corporation, is involved primarily in the business of quality and industrial engineering for various Tier I, Tier II, military, and other suppliers. In essence, the Debtor provides services such as sorting and inspection and other problem solving services when parts are defective, an assembly line stops, and the problem needs to be located and “contained.” Also, Debtor performs logistics for the military.

7. Debtor is paid on a weekly to monthly basis by its customers and, since Debtor is essentially in the business of providing services, Debtor generally runs a large volume of receivables.
8. Debtor recently brought on a valuable new customer to replace another large customer that had left, and which had caused the Debtor's cash crunch.
9. The income and expense projections for Pyramid Quality Solutions & Innovations are as stated in the attached projections. As shown by the projections, Debtor should have a more than sufficient cash flow to the Debtor to pay rent, wages, taxes, utilities, union dues, insurance, and all other charges as they come due.
10. I expect that our revenue and expenses should not change drastically over the coming year.

Further, Affiant sayeth not.

/s/ Jacqueline Burkette

Jacqueline Burkette

President

Pyramid Quality Solutions & Innovations, Inc.

Subscribed and duly affirmed before me in
Oakland County on this 24th day of September 2018

/s/ Edward Gudeman

Edward Gudeman

Notary Public Oakland County, MI

Acting in the County of Oakland

My Commission expires July 25, 2020

EXHIBIT C

PYRAMID QUALITY SOLUTIONS INNOVATIONS
 INCOME STATEMENT - 12 PERIODS
 FOR JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

| | Jan 2018 | Feb | Mar | Apr | May | Jun | Jul | Aug | Projected Forecast | | | | | | |
|--------------------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | | | | | Sep | Oct | Nov | Dec | Jan 2019 | Feb | Mar |
| REVENUES | | | | | | | | | | | | | | | |
| SALES - SORTING/REWORK | \$ 195,701.56 | 199,509.51 | 178,731.44 | 227,578.88 | 190,234.57 | 157,135.88 | 160,183.59 | 160,864.10 | 169,523.85 | *1 254,523.85 | *1 353,723.85 | *4 353,723.85 | 353,723.85 | 353,723.85 | 353,723.85 |
| MISCELLANEOUS INCOME | 0.00 | 16.71 | 0.00 | 1.73 | 0.00 | 1,546.26 | 9,945.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL REVENUES | 195,701.56 | 199,526.22 | 178,731.44 | 227,580.61 | 190,234.57 | 158,682.14 | 170,128.59 | 160,864.10 | 169,523.85 | 254,523.85 | 353,723.85 | 353,723.85 | 353,723.85 | 353,723.85 | 353,723.85 |
| COST OF SALES | | | | | | | | | | | | | | | |
| MANAGEMENT | 29,923.08 | 29,912.70 | 32,203.85 | 29,698.44 | 32,728.50 | 25,631.44 | 25,704.70 | 30,173.08 | 25,338.89 | *2 30,538.89 | *2 30,538.89 | 30,538.89 | 30,538.89 | 30,538.89 | 30,538.89 |
| MS - INSPECTORS | 1,940.50 | 5,474.59 | 735.60 | 660.20 | 2,488.00 | 1,770.00 | 1,833.60 | 1,996.20 | 1,914.90 | 1,914.90 | 43,514.90 | *5 43,514.90 | 43,514.90 | 43,514.90 | 43,514.90 |
| MI - INSPECTORS | 11,979.30 | 12,022.83 | 7,285.89 | 4,301.37 | 7,688.73 | 1,452.20 | 0.00 | 1,864.45 | 3,632.23 | *3 14,432.23 | *3 14,432.23 | 14,432.23 | 14,432.23 | 14,432.23 | 14,432.23 |
| GA - INSPECTORS | 0.00 | 0.00 | (104.47) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SC - INSPECTORS | 12,638.34 | 16,420.20 | 5,414.63 | (1,933.38) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CONTRACT - 1099 | 0.00 | 584.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,114.13 | 2,057.07 | 2,057.07 | 2,057.07 | 2,057.07 | 2,057.07 | 2,057.07 | 2,057.07 |
| SUPERVISOR - MISSISSIPPI | 2,040.00 | 2,473.96 | 68.00 | 0.00 | 0.00 | 0.00 | 680.00 | 680.00 | 680.00 | 680.00 | 680.00 | 680.00 | 680.00 | 680.00 | 680.00 |
| SUPERVISOR - TACOM | 4,257.60 | 4,257.60 | 5,322.00 | 4,345.91 | 5,322.00 | 4,353.60 | 4,377.60 | 5,472.00 | 4,924.80 | 4,924.80 | 4,924.80 | 4,924.80 | 4,924.80 | 4,924.80 | 4,924.80 |
| SUPERVISORS-MI | 1,911.65 | 2,503.80 | 2,640.50 | 1,495.45 | 3,947.20 | 2,115.40 | 2,927.10 | 4,503.70 | 3,715.40 | 3,715.40 | 3,715.40 | 3,715.40 | 3,715.40 | 3,715.40 | 3,715.40 |
| SC - SUPERVISORS | (287.47) | 1,337.50 | 330.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CLERKS - TACOM | 15,701.16 | 15,372.68 | 16,874.75 | 14,405.25 | 17,322.47 | 15,897.35 | 16,088.28 | 19,922.10 | 18,005.19 | 18,005.19 | 18,005.19 | 18,005.19 | 18,005.19 | 18,005.19 | 18,005.19 |
| GOV VA-MEDICAL COURIER | (3,022.13) | 3,059.82 | 3,595.88 | 3,048.11 | 3,514.50 | 2,841.42 | 3,548.11 | 1,469.70 | 2,508.91 | 2,508.91 | 2,508.91 | 2,508.91 | 2,508.91 | 2,508.91 | 2,508.91 |
| SUPERVISORS-MS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,040.00 | 2,040.00 | 2,720.00 | 2,380.00 | 2,380.00 | 2,380.00 | 2,380.00 | 2,380.00 | 2,380.00 | 2,380.00 |
| INSPECTOR - TACOM | 4,307.20 | 4,307.20 | 5,384.00 | 4,347.79 | 5,384.00 | 4,366.08 | 4,380.80 | 5,476.00 | 4,928.40 | 4,928.40 | 4,928.40 | 4,928.40 | 4,928.40 | 4,928.40 | 4,928.40 |
| STAFFING-MI | 3,404.49 | 2,310.00 | 2,010.00 | 3,487.50 | 4,480.66 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| STAFFING - CANADA | 1,746.45 | 5,596.32 | 1,212.77 | 6,079.56 | 4,838.16 | 4,064.44 | 3,949.56 | 4,455.56 | 4,202.56 | 4,202.56 | 4,202.56 | 4,202.56 | 4,202.56 | 4,202.56 | 4,202.56 |
| STAFFING-MISSISSIPPI | 175.00 | 9,516.36 | 19,218.83 | 8,017.38 | 15,658.52 | 11,379.03 | 6,267.06 | 4,917.60 | 5,592.33 | 5,592.33 | 5,592.33 | 5,592.33 | 5,592.33 | 5,592.33 | 5,592.33 |
| OFFICE - HQ PERSONNEL | 4,308.50 | 4,195.50 | 4,800.00 | 3,600.00 | 4,500.00 | 3,696.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 | 3,600.00 |
| LIAISONS - FIELD | 22,431.10 | 42,839.70 | 47,764.00 | 34,052.96 | 45,316.20 | 35,868.20 | 27,344.00 | 45,660.70 | 36,502.35 | 36,502.35 | 36,502.35 | 36,502.35 | 36,502.35 | 36,502.35 | 36,502.35 |
| QUALITY TECH | 0.00 | 1,312.00 | 1,904.00 | 2,202.64 | 3,009.15 | 1,632.15 | 1,962.23 | 2,666.25 | 2,149.20 | 2,149.20 | 2,149.20 | 2,149.20 | 2,149.20 | 2,149.20 | 2,149.20 |
| PART PROCESSOR | 0.00 | 0.00 | 0.00 | 0.00 | 144.50 | 1,946.50 | 1,768.00 | 2,040.00 | 1,904.00 | 1,904.00 | 1,904.00 | 1,904.00 | 1,904.00 | 1,904.00 | 1,904.00 |
| QUALITY SPECIALIST | 0.00 | 682.55 | 3,264.00 | 2,555.42 | 3,401.70 | 2,176.00 | 2,584.00 | 2,722.55 | 2,653.28 | 2,653.28 | 2,653.28 | 2,653.28 | 2,653.28 | 2,653.28 | 2,653.28 |
| QUALITY ENGINEERS | 6,154.90 | 9,102.00 | 3,580.00 | 9,456.91 | 9,082.02 | 2,233.00 | 1,174.00 | 2,367.90 | 1,770.95 | 1,770.95 | 1,770.95 | 1,770.95 | 1,770.95 | 1,770.95 | 1,770.95 |
| PROJECT MANAGER | 17,065.60 | 16,105.60 | 23,332.00 | 13,968.06 | 18,132.00 | 14,766.32 | 18,436.97 | 14,428.00 | 16,432.49 | 16,432.49 | 16,432.49 | 16,432.49 | 16,432.49 | 16,432.49 | 16,432.49 |
| MED/SS PAYROLL TAXES | 9,612.35 | 11,267.35 | 11,231.43 | 8,018.59 | 11,325.50 | 8,362.18 | 7,964.93 | 9,881.01 | 11,212.60 | *3 14,651.17 | *3 14,651.17 | *5 14,651.17 | 14,651.17 | 14,651.17 | 14,651.17 |
| FUTA PAYROLL TAX | 700.35 | 588.58 | 207.95 | 85.93 | 80.63 | 52.02 | 41.92 | 62.74 | 65.76 | *3 82.31 | *3 85.93 | *5 85.93 | 85.93 | 85.93 | 85.93 |
| SUTA PAYROLL TAX | 11,164.94 | 8,104.77 | 4,370.91 | (744.74) | 1,889.80 | 680.47 | 627.11 | 885.20 | 950.18 | *3 1,189.25 | *3 1,241.57 | *5 1,241.57 | 1,241.57 | 1,241.57 | 1,241.57 |
| TOTAL COST OF SALES | 158,152.91 | 209,348.31 | 202,647.12 | 151,149.35 | 200,254.24 | 147,653.88 | 136,969.89 | 172,078.87 | 157,121.47 | 176,198.17 | 218,471.60 | 218,471.60 | 218,471.60 | 218,471.60 | 218,471.60 |
| GROSS PROFIT | 37,548.65 | (9,822.09) | (23,915.68) | 76,431.26 | (10,019.67) | 11,028.26 | 33,158.70 | (11,214.77) | 12,402.37 | 78,325.68 | 135,252.25 | 135,252.25 | 135,252.25 | 135,252.25 | 135,252.25 |
| EXPENSES | | | | | | | | | | | | | | | |
| OUTSIDE COMMISSION | (5,153.83) | 0.00 | 621.50 | 80.00 | 0.00 | 269.04 | 0.00 | 578.86 | 289.43 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ADVERTISING - EMPLOYMENT | 59.99 | 59.99 | 59.99 | 59.99 | 59.99 | 660.28 | 412.00 | 161.49 | 286.75 | *3 209.99 | *3 59.99 | 59.99 | 59.99 | 59.99 | 59.99 |
| ADVERTISING - GENERAL BUSINESS | 0.00 | 0.00 | 661.00 | 0.00 | 250.00 | 156.99 | 995.96 | 0.00 | 300.00 | *3 100.00 | *3 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| AUTO EXPENSE | 2,240.20 | 1,679.99 | 2,710.91 | 2,505.02 | 4,853.24 | 2,408.01 | 2,520.48 | 3,327.00 | 2,923.74 | 2,794.81 | 2,261.39 | 2,261.39 | 2,261.39 | 2,261.39 | 2,261.39 |
| BANK CHARGE | 5,882.15 | 533.92 | 385.60 | 1,094.85 | 315.80 | 1,092.95 | 368.70 | 1,363.85 | 866.28 | 922.94 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 |
| CONSULTING SERVICES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750.00 | 0.00 | 60.00 | 30.00 | 210.00 | 75.00 | 75.00 | 75.00 | 75.00 | 75.00 |
| DONATIONS | 0.00 | 0.00 | (1,256.60) | 0.00 | 1,000.00 | 827.73 | 660.00 | 0.00 | 330.00 | 454.43 | 196.11 | 196.11 | 196.11 | 196.11 | 196.11 |
| DUES & SUBSCRIPTIONS | 0.00 | 47.29 | 1,087.39 | 0.00 | 25.00 | 70.00 | 0.00 | 0.00 | 0.00 | 17.50 | 4.38 | 4.38 | 4.38 | 4.38 | 4.38 |
| RENT - BUILDING | 0.00 | 3,665.99 | 3,665.99 | 3,988.56 | 4,071.09 | 4,079.77 | 4,193.69 | 4,075.07 | 4,134.38 | 4,120.73 | 3,082.54 | 3,082.54 | 3,082.54 | 3,082.54 | 3,082.54 |
| UTILITIES | 63.52 | 344.18 | 355.59 | 125.49 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| GIFTS | 0.00 | 89.99 | 0.00 | 0.00 | 500.00 | 0.00 | 167.73 | 0.00 | 83.87 | 62.90 | 36.69 | 36.69 | 36.69 | 36.69 | 36.69 |
| INSURANCE - BUSINESS GENERAL | 11,056.00 | 1,627.32 | 1,507.62 | 1,583.00 | 1,507.62 | 1,507.62 | 0.00 | 0.00 | 0.00 | 67.91 | 94.23 | 94.23 | 94.23 | 94.23 | 94.23 |
| LIFE INSURANCE - OSSIE NUNN | 2,083.33 | 2,083.33 | 2,083.33 | 2,083.33 | 2,083.33 | 2,083.33 | 4,166.66 | 2,083.33 | 3,125.00 | 2,864.58 | 2,018.23 | 2,018.23 | 2,018.23 | 2,018.23 | 2,018.23 |
| INSURANCE - WORKERS' COMP | 6,284.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LEGAL AND ACCOUNTING | 144.95 | 0.00 | 3,229.95 | 184.95 | 9,709.95 | 2,694.95 | 29.95 | 78.90 | 54.43 | 714.56 | 211.97 | 211.97 | 211.97 | 211.97 | 211.97 |
| LICENSES AND FEES | 0.00 | 0.00 | 85.00 | 0.00 | 0.00 | 0.00 | 0.00 | 170.00 | 85.00 | 63.75 | 79.69 | 79.69 | 79.69 | 79.69 | 79.69 |
| FOOD EXP | 258.43 | 1,542.02 | 865.09 | 1,019.07 | 745.57 | 908.75 | 3,718.29 | 1,087.83 | 2,403.06 | 2,029.48 | 1,380.09 | 1,380.09 | 1,380.09 | 1,380.09 | 1,380.09 |
| CORP. ENTERTAINMENT | 0.00 | 154.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OFFICE FURNITURE | 0.00 | 0.00 | 664.24 | 0.00 | 0.00 | 232.14 | 0.00 | 0.00 | 0.00 | 58.04 | 14.51 | 14.51 | 14.51 | 14.51 | 14.51 |
| OFFICE SUPPLIES | 2,083.25 | 1,154.47 | 825.91 | 2,214.12 | 1,138.64 | 1,474.65 | 747.18 | 1,572.47 | 1,159.83 | 1,238.53 | 992.71 | 992.71 | 992.71 | 992.71 | 992.71 |
| OUTSIDE SERVICES | 119.40 | 19.95 | 19.95 | 2,831.16 | 19.95 | 3,519.95 | 139.35 | 19.95 | 79.65 | 939.73 | 259.83 | 259.83 | 259.83 | 259.83 | 259.83 |

PYRAMID QUALITY SOLUTIONS INNOVATIONS
 INCOME STATEMENT - 12 PERIODS
 FOR JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

| | Jan 2018 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan 2019 | Feb | Mar |
|--------------------------------|-------------|-------------|-------------|-----------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|
| PAYROLL SERVICES | 1,498.97 | 2,853.40 | 1,588.06 | 1,250.92 | 1,714.83 | 1,404.05 | 1,194.77 | 1,339.19 | 1,266.98 | 1,301.25 | 976.85 | 976.85 | 976.85 | 976.85 | 976.85 |
| POSTAGE & DELIVERIES | 289.86 | 405.17 | 450.55 | 187.88 | 199.49 | 106.42 | (16.22) | 72.36 | 28.07 | 47.66 | 37.02 | 37.02 | 37.02 | 37.02 | 37.02 |
| SECURITY ALARM - HEADQUARTERS | 222.92 | 222.92 | 110.46 | 111.46 | (24.98) | 111.46 | 24.98 | 223.22 | 124.10 | 120.94 | 117.07 | 117.07 | 117.07 | 117.07 | 117.07 |
| SHOP SUPPLIES | 53.97 | 1,076.47 | 55.97 | 0.00 | 36.04 | 1,608.98 | 191.87 | 134.62 | 690.25 *3 | 229.43 *3 | 300.00 *5 | 300.00 | 300.00 | 300.00 | 300.00 |
| TELEPHONE - LAND LINE | (110.96) | 173.47 | 821.43 | 457.57 | 437.75 | 437.75 | 160.02 | 808.97 | 484.50 | 472.81 | 441.57 | 441.57 | 441.57 | 441.57 | 441.57 |
| TELEPHONE - CELL | 120.33 | 1,609.07 | 1,066.89 | 1,412.33 | 0.00 | 893.66 | 22.47 | 979.69 | 501.08 | 599.23 | 520.00 | 520.00 | 520.00 | 520.00 | 520.00 |
| PHONE CONFERENCE CALLS | 26.47 | 26.47 | 26.47 | 36.22 | 36.22 | 36.22 | 36.10 | 36.10 | 36.10 | 36.13 | 27.08 | 27.08 | 27.08 | 27.08 | 27.08 |
| CELLULAR REIMBURSEMENT-EMP. | 25.00 | 0.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 18.75 | 18.75 | 18.75 | 18.75 | 18.75 |
| TRAINING | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 190.00 | 0.00 | 95.00 | 71.25 | 41.56 | 41.56 | 41.56 | 41.56 | 41.56 |
| TRAVEL - AIR | 576.19 | 3,683.89 | 1,511.73 | 1,573.56 | (856.50) | 822.08 | 1,574.59 | 0.00 | 787.30 | 795.99 | 395.82 | 395.82 | 395.82 | 395.82 | 395.82 |
| TRAVEL - MILEAGE GAS & PARKING | (25.39) | 343.03 | 430.65 | 600.75 | 840.22 | 929.76 | (31.00) | 401.81 | 185.41 | 371.49 | 239.68 | 239.68 | 239.68 | 239.68 | 239.68 |
| CAR RENTAL | 819.23 | 1,322.98 | 1,124.81 | 1,227.32 | 668.76 | 772.82 | 1,196.19 | 555.60 | 875.90 | 850.13 | 570.41 | 570.41 | 570.41 | 570.41 | 570.41 |
| TRAVEL ADVANCES | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 | 0.00 | (200.00) | (100.00) | (25.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TRAVEL - LODGING | 102.81 | 1,565.48 | 3,021.71 | 1,590.16 | 574.56 | 788.70 | 1,241.72 | 719.25 | 980.49 | 932.54 | 658.07 | 658.07 | 658.07 | 658.07 | 658.07 |
| INTEREST EXPENSE-OTHER | 0.00 | 0.00 | 0.00 | 6,243.21 | 8,024.55 | 8,313.28 | 9,516.66 | 26,102.17 | 17,809.42 | 15,435.38 | 14,836.74 | 14,836.74 | 14,836.74 | 14,836.74 | 14,836.74 |
| INTEREST-L/C-HNB | 2,281.80 | 2,376.92 | 2,140.83 | 4,041.83 | 1,484.12 | 1,565.83 | 2,296.73 | 3,938.89 | 3,117.81 | 2,729.82 | 2,446.63 | 2,446.63 | 2,446.63 | 2,446.63 | 2,446.63 |
| INTEREST EXPENSE - ONDECK17 | 6,371.33 | 3,777.58 | 4,447.82 | 2,755.77 | 3,549.54 | 2,734.00 | 3,258.45 | 4,610.76 | 3,934.61 | 3,634.45 | 3,044.95 | 3,044.95 | 3,044.95 | 3,044.95 | 3,044.95 |
| UNIFORMS | 0.00 | 190.80 | 29.59 | 0.00 | 0.00 | 0.00 | 0.00 | 20.11 | 10.06 | 7.54 | 9.43 | 9.43 | 9.43 | 9.43 | 9.43 |
| TAXES - PAYROLL ADMIN | 0.00 | 0.00 | 110.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TAXES - OTHER | 0.00 | 34.59 | 100.00 | 5,000.00 | 0.00 | 0.00 | (4,236.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TAXES - FEDERAL INCOME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,646.39 | 0.00 | 3,547.63 *3 | 2,794.06 *3 | 1,927.24 *5 | 1,927.24 | 1,927.24 | 1,927.24 | 1,927.24 |
| COMPUTER SOFTWARE-LICENSING | 165.00 | 165.00 | 2,616.36 | 713.18 | 554.19 | 713.18 | 713.18 | 713.18 | 713.18 | 713.18 | 534.89 | 534.89 | 534.89 | 534.89 | 534.89 |
| COMPUTER MAINT. | 625.00 | 625.00 | 729.98 | 1,219.19 | 625.00 | 625.00 | 625.00 | 625.00 | 625.00 | 625.00 | 468.75 | 468.75 | 468.75 | 468.75 | 468.75 |
| WEBSITE MAINT. & DEVELOPMENT | 369.19 | 355.95 | 334.95 | 649.95 | 364.35 | 772.20 | 341.95 | 394.95 | 368.45 | 469.39 | 308.20 | 308.20 | 308.20 | 308.20 | 308.20 |
| TOTAL EXPENSES | 38,533.71 | 33,811.13 | 38,315.72 | 46,865.84 | 44,533.32 | 45,596.55 | 42,092.84 | 56,079.62 | 52,257.68 | 49,616.52 | 39,188.04 | 39,495.06 | 39,495.06 | 39,495.06 | 39,495.06 |
| NET INCOME | (\$ 985.06) | (43,633.22) | (62,231.40) | 29,565.42 | (54,552.99) | (34,568.29) | (8,934.14) | (67,294.39) | 0.00 | 28,709.16 | 96,064.21 | 95,757.19 | 95,757.19 | 95,757.19 | 95,757.19 |