

United States Bankruptcy Court Eastern District of New York	Voluntary Petition
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Name of Debtor (if individual, enter Last, First, Middle):	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): CORNER HARDWARE & PAINT CTR. Inc.	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): 11-3250797	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): 2266 Nostrand Ave Brooklyn, NY	Street Address of Joint Debtor (No. and Street, City, and State):
County of Residence or of the Principal Place of Business:	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):

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) 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.)	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 type="checkbox"/> Other 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 owned 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 <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.	THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <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	
Estimated Assets <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	
Estimated Liabilities <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 (This page must be completed and filed in every case)	Name of Debtor(s):
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All Prior Bankruptcy Case Filed Within Last 8 Years (If more than two, attach additional sheet.)

Location Where Filed:	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:	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 style="text-align: center;">X _____ 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 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 judgement 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(1)).

\$22,000 per month, lease expiring May 2019) and 10101 Foster Avenue, Brooklyn, New York 11236. (Rent \$29,000 per month lease expiring December 2009).

4. The retail portion of the business, consists of selling hardware and maintenance supplies to contractors and homeowners. The wholesale component (the Foster Avenue location) sells only to Landlords and Real Estate owners.

5. The Debtor experienced certain problems as follows: The Debtor first borrowed funds under a line of credit of \$225,000 from Merrill Lynch starting in 2002. Thereafter, as the business grew, the line of credit increased until by 2007, the line equaled approximately \$2,800,000. The line is secured in all the assets of the Debtor.

6. The Debtor is in a Real Estate related business and accordingly suffered a slow down in mid and late 2008. Merrill Lynch was taken over in 2008 by the Bank of America. Despite the Debtor's being current on the loans, Merrill Lynch commenced a collection lawsuit in New York State Supreme Court, New York County in early 2009. (Index No. 601474/09) seeking a replevin and damages.

7. The three bases for the litigation was (i) the claim that the appropriate Debt Service ratio, pursuant to an Amendment to Agreement of December 28, 2008 had not been met; (ii) subordinated "insider" debt of \$850,000 had been allegedly improperly paid down to about \$372,000, and (iii) the Debtor no longer satisfied the credit line ratio of debt to "eligible" collateral under new rules in a new September 2008 Note that disqualified certain collateral e.g. 100% of an accounts receivable would be disqualified where 25% of the accounts receivable was past 90 days. The Debtor was not given much time to educate its customers, who were accustomed to typical Real Estate industry terms of 90 day plus credit terms, to the new requirements that their bills be paid on

a more timely basis. (The accounts in question in fact paid the Debtor).

8. In a Stipulation entered into between the parties resolving the litigation, Merrill Lynch agreed that the subordinated loans were really the lower amount by agreeing in a Stipulation of Settlement that the subordinated debt was actually \$372,000, and not the \$850,000 amount.

9. A Stipulation was entered into on July 16, 2009 pursuant to which the Debtor agreed to make monthly payments of interest, plus pay off all principal by a date certain. The Stipulation reflects a debt due of \$2,653,856.

10. It appears that in today's economic environment, the Debtor was not able to locate a new lender to take out Merrill, within the short time allotted. Merrill has the right to enter judgment if these conditions are not met.

11. The Debtor attaches a list of the 20 largest unsecured creditors and contact information (Exhibit A).

12. The Debtor has the following secured creditors. See attached (Exhibit B).

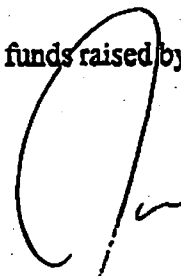
13. A summary of the Debtor's assets and liabilities is attached as Exhibit C.

14. Gross payroll for the 70 employees of the Debtor is \$44,000 (excluding officers and directors), approximately on a weekly basis.

15. The Debtors' two Officers and Directors (Werzberger and Goldberger) will be paid a net salary of \$4,000 each.

16. I have served as Vice President of the Debtor since its inception of the Debtor and I and Moses Goldberger each own 50 percent of the equity of the Debtor. There are no other officers of the Debtor upon information and belief. We have been actively involved in the Debtor's business since its inception.

- 17. No property is within the possession of any party other than the Debtor.
- 18. The Debtor has described the leased premises above.
- 19. The Debtor's books and records are maintained by the Debtor.
- 20. The Debtor's principal's management and their history is identified above.
- 21. The Debtor's expected monthly income and disbursements is attached hereto as Exhibit D.
- 22. The Debtor believes it will be able to propose a plan to Merrill Lynch and to the trade creditors of approximately \$2,200,000, which will be acceptable to such creditors.
- 23. The source of funds for any such plan will be funds raised by the Debtor's principals and the cash flow of the business.



 Abraham Werzberger

Severally affirmed before me this
 18th day of August, 2009



NOTARY PUBLIC
LEO FOX
 Notary Public, State of New York
 No. 4899782
 Qualified in New York County
 Commission Expires December 31, 2009

H:\Reception_mydoc\WERTZBERGER\Affidavit of Abraham Werzberger 8.18.09.wpd

TWENTY LARGEST UNSECURED CREDITORS OF THE DEBTOR

1 VENDORS	BENJAMIN MOORE	
ADDRESS	P.O. BOX 4023 CHURCH ST STATION, NEW YORK, NY 10261	
TELEPHONE	LEN-CREDIT MANAGER 201-949-6322	
BALANCE		\$196,417.79
2 VENDORS	CNC	
ADDRESS	101 KENTILE ROAD, SOUTH PLAIN FIELD, NJ 07080	
TELEPHONE	LASER-CREDIT MANAGER 718-628-2915	
BALANCE		136,624.08
3 VENDORS	DOMESTIC	
ADDRESS	ONE SOUTH MIDDLESEX AVE.	
TELEPHONE	LOURDES-CREDIT MANAGER 800-523-1268 X 1165	
BALANCE		162,643.13
4 VENDORS	G-FORCE	
ADDRESS	376 CRESCENT STREET, BROOKLYN, NY 11208	
TELEPHONE	CHRIS-OWNER 718-277-4664	
BALANCE		57,752.98
5 VENDORS	FIVE STAR	
ADDRESS	P.O BOX 1960 903 MURRAY ROAD, EAST HANOVER, NJ 07936	
TELEPHONE	VICKI-CREIDT MANAGER (800) 366-5383 X103	
BALANCE		86,873.06
6 VENDORS	ORIGLL	
ADDRESS	P.O BOX 1000 DEPT. 7, MEMPHIS, TN 38148	
TELEPHONE	MIKE-CREDIT MANAGER (800) 761-6163 X 2	
BALANCE		52,981.49
7 VENDORS	GUARDIAN BUILDING PRODUCTS	
ADDRESS	P.O. BOX 207, GREENVILLE, SC 29602	
TELEPHONE	ROSE-CREDIT MANAGER 864-281-3582	
BALANCE		17,832.12
8 VENDORS	TC DUNHAM	
ADDRESS	581 SAW MILL RIVER ROAD, YONKER, NY 10701	
TELEPHONE	YOSSI 914-969-4202	

	BALANCE		115,294.35
9	VENDORS	PPG	
	ADDRESS	5500 CORPORATE DRIVE SUITE 500,PITTSBURGH,PA 15237	
	TELEPHONE	DIANA 412-318-6850	
	BALANCE		74,446.83
10	VENDORS	MEROLA TILE	
	ADDRESS	819 WILLIAMS AVE, BROOKLYN, NY 11207	
	TELEPHONE	SUSAN 718-272-8600 X 114	
	BALANCE		122,026.13
11	VENDORS	EVERFLOW	
	ADDRESS	1274 49TH STREET, PMB 295, BROOKLYN, NY 11219	
	TELEPHONE	JOE-CREDIT MANAGER 908-436-1100	
	BALANCE		80,108.53
12	VENDORS	MIRON BUILDING	
	ADDRESS	268 JOHNSON AVENUE, BROOKLYN, NY 11206	
	TELEPHONE	MITCH-CREDIT 718-497-1111 X 209	
	BALANCE		73,019.90
13	VENDORS	EMPIRE POLY	
	ADDRESS	1274 49TH STREET SUITE #279, BROOKLYN, NY 11219	
	TELEPHONE	BARRY-OWNER 917-593-3471	
	BALANCE		115,576.85
14	VENDORS	CALIFORINA PAINT	
	ADDRESS	P. O. BOX 4293, BOSTON, MA 02211	
	TELEPHONE	RON-(800) 225-1141 x204	
	BALANCE		76,903.43
15	VENDORS	SUNSHINE LIGHTING	
	ADDRESS	744 CLINTON STREET, BROOKLYN, NY 11231	
	TELEPHONE	RAFEAL 718-768-7000 X 122	
	BALANCE		38,858.12

16	VENDORS ADDRESS TELEPHONE BALANCE	ULTRA HARDWARE P.O. BOX 823409, PHILADELPHIA, PA 19182 MARY 800-426-6379 X 518	32,288.19
17	VENDORS ADDRESS TELEPHONE BALANCE	CONSOLIDATE PAPER 271 WALNUT AVE, BRONX, NY 10454 NICK-CONTROLLER 718-402-1200 X 127	6,854.45
18	VENDORS ADDRESS TELEPHONE BALANCE	AF SUPPLY 1000 SOUTH 2ND STREET, HARRISON, NJ 07029 DAVID-CREDIT (973) 481-7500 X 104	\$83,337.73
19	VENDORS ADDRESS TELEPHONE BALANCE	REISS WHOLESALE 975 GEORGIA AVENUE, BROOKLYN, NY 11207 PAUL-OWNER 718-257-6111	21,975
20	VENDORS ADDRESS TELEPHONE BALANCE	FINE FIXTURE 2015 PITKIN AVE, BROOKLYN, NY 11207 JOEL-(OWNER) 718-602-6060	28,228.55
21	VENDORS ADDRESS TELEPHONE BALANCE	LIGHING BEAM 1775 51ST STREET, BROOKLYN, NY 11204 HENERY-OWNER 917-693-3685	17,176.94
22	VENDORS ADDRESS TELEPHONE BALANCE	MAX SUPPLY 134-03 35TH AVENUE, FLUSHING, NY 11354 JOE-SALESMAN 917-974-9053	3985.81
23	VENDORS ADDRESS TELEPHONE	ACE HARDWARE 2200 KENSINGTON COURT, OAK BROOK, IL, 60523 630-990-6651	

BALANCE

\$85,653.00

This list of Twenty Largest Unsecured Creditors is true and correct.

Corner Hardware & Paint Ctr. Inc.,

By: _____

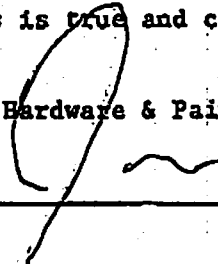
A handwritten signature in black ink, consisting of a large, stylized loop followed by a wavy line, is written over the signature line.

Exhibit B Secured Creditors

Merrill Lynch Commercial Finance Corp.
c/o Spencer L. Schneider, Esq.
70 Lafayette Street
New York, New York 10013
(212) 233-7400

Benjamin Moore & Co.
51 Chestnut Ridge Road
Montvale, New Jersey 07645

CORNER HARDWARE & PAINT CTR. INC.,
BALANCE SHEET (Estimated & Approximate)

August 17, 2009

ASSETS

Cash	0
Inventory (cost)	\$2,200,000
Accounts Receivable	<u>\$3,185,000</u>
	\$5,385,000

LIABILITIES

Merrill Lynch Commercial Finance Corp. (secured)	\$2,653,000
Benjamin Moore & Co. (secured)	\$ 150,000
Unsecured Creditors	<u>\$2,000,000</u>
	\$4,803,000

<p>Corner Hardware and Paint Center, Inc. Projected Income and Expenses</p>

	9/15/2009	10/15/2009	11/15/2009	12/15/2009
Net Sales	1,235,906	1,235,906	1,235,906	1,235,906
<i>Sales Change Over Previous Period</i>				
Cost of Goods Sold	731,154	731,154	731,154	731,154
Gross Profit	504,752	504,752	504,752	504,752
Gross Profit Percentage	40.84%	40.84%	40.84%	40.84%
Selling Expenses	90,027	90,027	90,027	90,027
General and Administrative Expenses	387,992	387,992	395,992	387,992
Interest Expense				
Depreciation and Amortization				
Other Expense (Income)				
Total Expenses	478,019	478,019	486,019	478,019
Income before taxes	26,733	26,733	18,733	26,733
Provision for taxes (Projected)	4,217	4,217	4,217	4,217
Provision for taxes (Actual)				
NET INCOME	22,517	22,517	14,517	22,517

EXHIBIT D

Corner Hardware and Paint Center, Inc.				
SUPPORTING SCHEDULES				
	09/15/09	10/15/09	11/15/09	12/15/09
Cost of Goods Sold				
Purchases	730,142	730,142	730,142	730,142
Other Direct Costs	1,013	1,013	1,013	1,013
Cost of Goods Sold	731,154	731,154	731,154	731,154
	59.16%	61.54%	60.79%	59.16%
Selling Expenses				
Commissions	37,330	37,330	37,330	37,330
Advertising and Promotion	18,262	18,262	18,262	18,262
Delivery and Auto Expenses	34,434	34,434	34,434	34,434
Travel and Entertainment				
Selling Expenses	90,027	90,027	90,027	90,027
	7.28%	5.41%	5.44%	7.28%
General and Administrative Expenses				
Officers' Salaries	32,000	32,000	40,000	32,000
Other Salaries	176,862	176,862	176,862	176,862
Rent	42,834	42,834	42,834	42,834
Protection	9,310	9,310	9,310	9,310
Supplies	3,159	3,159	3,159	3,159
Professional Fees	22,618	22,618	22,618	22,618
Bank Charges	6,987	6,987	6,987	6,987
Data Processing	520	520	520	520
Cleaning	2,000	2,000	2,000	2,000
Maintenance and Repairs	2,015	2,015	2,015	2,015
Equipment Rental	2,883	2,883	2,883	2,883
Employee Benefits	18,628	18,628	18,628	18,628
Utilities	11,156	11,156	11,156	11,156
Insurance	17,714	17,714	17,714	17,714
Office Expenses	10,872	10,872	10,872	10,872
Warehouse Expenses	0	0	0	0
Telephone	5,829	5,829	5,829	5,829
Payroll and Other Taxes	19,905	19,905	19,905	19,905
Miscellaneous	2,700	2,700	2,700	2,700
General and Administrative Expenses	387,992	387,992	395,992	387,992
	31.39%	30.49%	31.48%	31.39%

CORPORATE RESOLUTION
OF
CORNER HARDWARE & PAINT CTR. INC.,

The undersigned is the Vice President of the above Company (the "Company"), and certifies that of August 17, 2009, a Special Meeting was duly called and held at the Company offices located at 2266 Nostrand Avenue, Brooklyn, New York, 11216.

At said Meeting, a resolution was passed by the Board, as follows:

"RESOLVED, that the undersigned be and hereby is authorized and directed to file on behalf of the Company a Petition for relief under Chapter 11 of the Bankruptcy Code and to take all steps necessary and proper for the filing of said application, including the retention of LEO FOX, ESQ., 630 Third Avenue, New York, New York 10017, as attorney for that purpose."

Dated: New York, New York
August 17, 2009



Name: Abraham Werzberger
Title: Vice President

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