

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

In re **Hair by Maxelles, Inc.**

Case No.
Chapter **11**

Exhibit "A" to Voluntary Petition

1. If any of debtor's securities are registered under section 12 of the Securities and Exchange Act of 1934, the SEC file number is N/A.

2. The following financial data is the latest available information and refers to debtor's condition on .

a.	Total assets	\$	_____
b.	Total debts (including debts listed in 2.c., below)	\$	<u>978,536.62</u>

Approximate
number of
holders

c. Debt securities held by more than 500 holders.

secured	<input type="checkbox"/>	unsecured	<input type="checkbox"/>	subordinated	<input type="checkbox"/>	<u>\$0.00</u>	<u>0</u>
d.	Number of shares of preferred stock					<u>0</u>	<u>0</u>
e.	Number of shares of common stock					<u>100</u>	<u>1</u>

Comments, if any:

3. Brief description of debtor's business:

Beauty Salon

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

Ales Kramhoeller

United States Bankruptcy Court Northern District of Ohio

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Hair by Maxelles, 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): Last four digits of Soc. Sec. No. / Complete EIN or other Tax I.D. No. (if more than one, state all): 8855 Street Address of Debtor (No. & Street, City, and State) 7701 W. Ridgewood Drive Parma, OH ZIPCODE 44129-5514 County of Residence or of the Principal Place of Business: Cuyahoga Mailing Address of Debtor (if different from street address): ZIPCODE Location of Principal Assets of Business Debtor (if different from street address above): 7701 W. Ridgewood Drive Parma, Oh ZIPCODE 44129-5514

Type of Debtor (Form of Organization) (Check one box.) [] Individual (includes Joint Debtors) [x] Corporation (includes LLC and LLP) [] Partnership [] Other (If debtor is not one of the above entities, check this box and provide the information requested below.) State type of entity: Nature of Business (Check all applicable boxes) [] Health Care Business [] Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) [] Railroad [] Stockbroker [] Commodity Broker [] Clearing Bank [] Nonprofit Organization qualified under 26 U.S.C. § 501(c)(3) Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box) [] Chapter 7 [x] Chapter 11 [] Chapter 15 Petition for Recognition of a Foreign Main Proceeding [] Chapter 9 [] Chapter 12 [] Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding [] Chapter 13 Nature of Debts (Check one box) [] Consumer/Non-Business [x] Business Chapter 11 Debtors Check one box: [x] Debtor is a small business as defined in 11 U.S.C. § 101(51D). [] Debtor is not a small business as defined in 11 U.S.C. § 101(51D). Check if: [x] Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2 million.

Statistical/Administrative Information [x] 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. THIS SPACE IS FOR COURT USE ONLY Estimated Number of Creditors 1-49 [x] 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 \$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 [] More than \$100 million [] Estimated Debts \$0 to \$50,000 [] \$50,001 to \$100,000 [] \$100,001 to \$500,000 [] \$500,001 to \$1 million [x] \$1,000,001 to \$10 million [] \$10,000,001 to \$50 million [] \$50,000,001 to \$100 million [] More than \$100 million []

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Hair by Maxelles, Inc.	
Prior Bankruptcy Case Filed Within Last 8 Years (If more than one, attach additional sheet)			
Location Where Filed: Northerern District of OHio		Case Number: 05-14189	Date Filed: 04/01/2005
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> (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) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<p style="text-align: center;">Exhibit B</p> (To be completed if debtor is an individual whose debts are primarily consumer debts) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code. <p style="text-align: center;">X Not Applicable</p> <hr style="width: 80%; margin-left: auto; margin-right: auto;"/> <div style="display: flex; justify-content: space-between; width: 80%; margin-left: auto; margin-right: auto;"> Signature of Attorney for Debtor(s) Date </div>	
<p style="text-align: center;">Exhibit C</p> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No		<p style="text-align: center;">Certification Concerning Debt Counseling by Individual/Joint Debtor(s)</p> <input type="checkbox"/> I/we have received approved budget and credit counseling during the 180-day period preceding the filing of this petition. <input type="checkbox"/> I/we request a waiver of the requirement to obtain budget and credit counseling prior to filing based on exigent circumstances (Must attach certification describing.)	
Information Regarding the Debtor (Check the Applicable Boxes) Venue (Check any applicable box)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Statement by a Debtor Who Resides as a Tenant of Residential Property <i>Check all applicable boxes.</i>			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following). <div style="text-align: center;"> <hr style="width: 60%; margin: 0 auto;"/> (Name of landlord that obtained judgment) </div> <div style="text-align: center; margin-top: 10px;"> <hr style="width: 60%; margin: 0 auto;"/> (Address of landlord) </div>			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of this petition.			

United States Bankruptcy Court
Northern District of Ohio

In re Hair by Maxelles, Inc., Case No. _____
Debtor Chapter 11

List Of Creditors Holding 20 Largest Unsecured Claims

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	(5) <i>Amount of claim [if secured also state value of security]</i>
Ohio Department of Taxation Attn: Bankruptcy Division PO Box 530 Columbus, OH 43266-0030				\$50,000.00
RMS 50 Public Square Cleveland, OH 44113				\$60,926.62
Statler Arms, Inc. c/o Cavitch, Familo, Durkin & Frutk 1717 E. 9th Street, 14th Floor Cleveland, OH 44114-2876				\$117,610.00

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

I, Ales Kranhoeller, 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: 9/8/2006

Signature: /s/ Ales Kranhoeller

Ales Kranhoeller ,President
(Print Name and Title)

In re: Hair by Maxelles, Inc.
Debtor

Case No. _____
(if known)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions, above.)	CODEBTOR HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO. 34-0928855 Internal Revenue Service Insolvency Group 3 1240 East Ninth St. Room 457 Cleveland, OH 44199 United States Attorney's Office Carl B. Stokes U. S. Courth 801 West Superior Suite 400 Cleveland, OH 44113-1852		Statutory Lien VALUE \$0.00				750,000.00	0.00

0 Continuation sheets attached

Subtotal >
(Total of this page)
Total >
(Use only on last page)

\$750,000.00
\$750,000.00

(Report total also on Summary of Schedules)

In re Hair by Maxelles, Inc.
Debtor

Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

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

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

Domestic Support Obligations

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

Extensions of credit in an involuntary case

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

Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,000* 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 \$4,925* 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 \$2,225* 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, 2007, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re Hair by Maxelles, Inc.
Debtor

Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Type of Priority: Taxes and Certain Other Debts Owed to Governmental Units

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	CODEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
ACCOUNT NO.							0.00	0.00
ACCOUNT NO. Ohio Department of Taxation Attn: Bankruptcy Division PO Box 530 Columbus, OH 43266-0030			2004-2006 Employment Tax				50,000.00	50,000.00

Subtotal
(Total of this page) >

\$50,000.00	\$50,000.00
\$50,000.00	\$50,000.00

Total
(Use only on last page of the completed Schedule E.) >

(Report total also on Summary of Schedules)

In re Hair by Maxelles, Inc.
Debtor

Case No. _____
(If known)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

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

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions, above.)	CODEBTOR HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL
ACCOUNT NO. RMS 50 Public Square Cleveland, OH 44113		2006 Rent				60,926.62
ACCOUNT NO. Statler Arms, Inc. c/o Cavitch, Familo, Durkin & Frutk 1717 E. 9th Street, 14th Floor Cleveland, OH 44114-2876		12/11/2001 Lease guarantee for Maxelles at the Old Arcade, Inc.				117,610.00

0 Continuation sheets attached

Subtotal >

Total >

(Use only on last page of the completed Schedule F.)

(Report also on Summary of Schedules)

\$178,536.62
\$178,536.62

United States Bankruptcy Court

Northern District of Ohio

In re:

Case No. _____

Chapter 11

Hair by Maxelles, Inc.

STATEMENT REGARDING AUTHORITY TO SIGN AND FILE PETITION

I, **Ales Kramhoeller**, declare under penalty of perjury that I am the **President of Hair by Maxelles, Inc.**, a **Ohio** Corporation and that on **09/08/2006** the following resolution was duly adopted by the **Board of Directors** of this Corporation:

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

Be It Therefore Resolved, that **Ales Kranhoeller, President** of this Corporation, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a Chapter 11 voluntary bankruptcy case on behalf of the Corporation; and

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

Be It Further Resolved, that **Ales Kranhoeller, President** of this Corporation, is authorized and directed to employ **Kenneth A. Blech**, attorney and the law firm of **KENNETH A. BLECH & CO LPA** to represent the Corporation in such bankruptcy case."

Executed on: 9/8/2006

Signed: /s/ Ales Kranhoeller
Ales Kramhoeller