

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION AT LAFAYETTE

In re:

MAXIMUS SUPPLY CHAIN
HOLDINGS, LLC, *et al.*,

Debtors.¹

Case No.

Chapter 11

(Joint Administration Requested)

**DECLARATION OF SAM BAZZI IN SUPPORT OF DEBTORS' CHAPTER 11
PETITIONS AND FIRST DAY MOTIONS**

I, Sam Bazzi, am over eighteen (18) years of age, have personal knowledge of the matters contained herein.

Background on Debtors

1. I am the Manager and Member of Maximus Supply Chain Holdings, LLC ("**MSCH**").
2. I am the Manager of Maximus Transport Systems, LLC ("**MTS**").
3. I am the Manager of Action SCS, LLC ("**Action SCS**").
4. I am the Director, Shareholder, CEO, Secretary and Treasurer of Maximus Logistics Corporation ("**Maximus Logistics Corp**").
5. I am the Director, Shareholder, CEO, Secretary and Treasurer of Maximus Industries Corporation ("**MIC**").

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number are: Maximus Supply Chain Holdings, LLC (6729); Maximus Transport Systems, LLC (9839); Maximus Logistics Corporation (0372); Maximus Industries Corporation (0902); Maximus Logistics Solutions, LLC (0372); Action SCS, LLC (1633); GC3 Logistics, Inc. (8844); and GC3 Warehousing, LLC (4132).

6. I am the Director, Shareholder, CEO, Secretary and Treasurer of GC3 Logistics, Inc. (“**GC3 Logistics**”).

7. I am the Manager of Maximus Logistics Solutions, LLC (“**MLS**”).

8. I am the Manager of GC3 Warehousing LLC (“**GC3 Warehousing**”) (each entity listed in paragraphs 2-9 shall hereinafter be collectively referred to as “**Maximus Group**” and “**Debtors**”).

9. This Declaration has been prepared in connection with the Chapter 11 bankruptcy petitions filed on June 25, 2024 (the “**Petition Date**”) by Debtors.

10. Debtors are a series of affiliated entities that provide goods and services in three main categories: 1) high tech manufacturing and supply chain solutions, 2) logistics and trucking transportation services, and 3) warehousing.

11. As shown below in the organizational chart, MTS, Maximus Logistics, and MLS are wholly owned subsidiaries of MSCH.

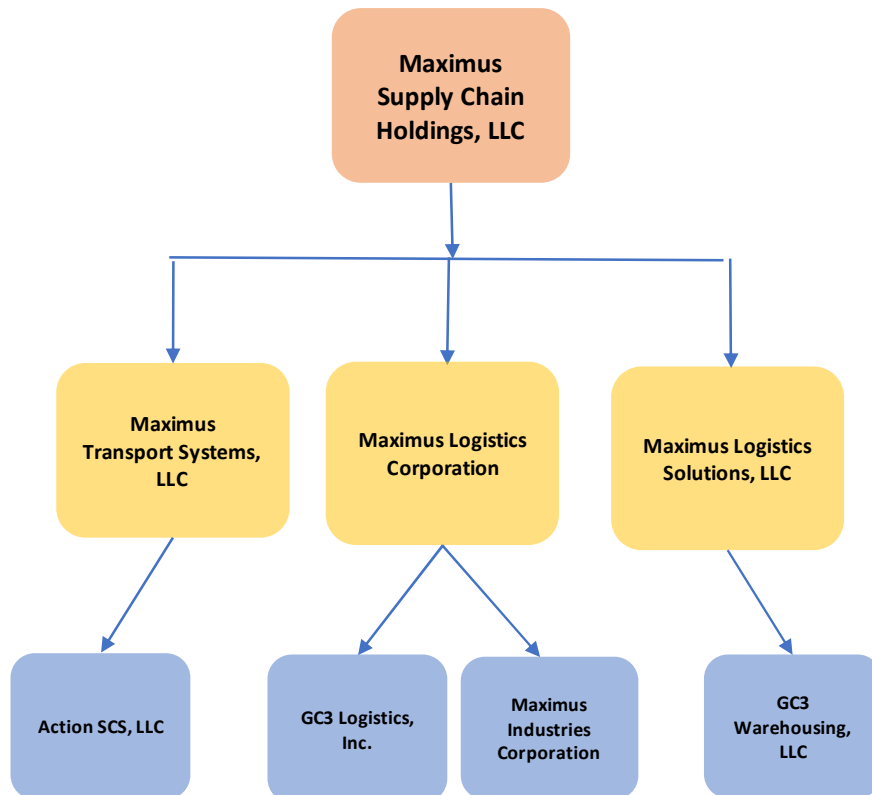
12. Action SCS is a wholly owned subsidiary of MTS.

13. GC3 and MIC are wholly owned subsidiaries of Maximus Logistics.

14. GC3 Warehousing is a wholly owned subsidiary of MLS.

15. Sam Bazzi is the sole member of MSCH.

16. Debtors are Indiana entities headquartered and principally located at 3535 Brady Lane in Lafayette, Indiana 47909.



17. As part of Maximus Group, MTS provides transportation services with routes spread over the continental United States and owns and operates approximately 43 tractors and 170 trailers.

18. As part of Maximus Group, MIC provides welded products assemblies for the commercial vehicle industry, wheels and tires assemblies, manufactured parts for the heavy equipment industry as well as warehousing for the same.

19. As part of Maximus Group, MLS provides fulfillment services for customers including without limitation aluminum kitting, composite panels, cargo track, wood and aluminum flooring, and various other special order and transportation parts as well as warehousing for the same.

20. Some of the customers purchasing product from Debtors include large transportation companies such as Wabash National (“Wabash”), Utilimaster, Kentucky Trailer, and Great Dane.

21. Some of the customers purchasing transportation and warehousing services includes Subaru of America, Subaru of Indiana, Vanguard and Heartland Automotive.

Events Leading to Chapter 11 Filings

22. Since the COVID-19 pandemic, the United States transportation industry has been faced with an extremely high demand for trailers and related products due to the increasing need for transportation of goods nationwide.

23. Despite the demand for trailers, the supply-side has faced various challenges including unpredictable costs, unavailability and timing of input parts and materials, as well as labor shortages in manufacturing.

24. Maximus Group sought to capitalize on this demand by partnering with vendors of certain input parts and materials and entering into long-term partnerships with customers for output products. Some of these partnerships culminated into long-term master supply agreements (“**MSAs**”) for the purchase of products from Maximus Group.

25. To enable this growth, Maximus Group had to obtain both short-term and long-term financing.

26. Short-term debt is estimated to currently be \$10,217,941.46.

27. Long-term debt is estimated to currently be \$25,186,734.16.

28. Long-term financing enabled Maximus Group to purchase additional equipment to seek to meet projected demand under MSAs with customers.

29. Short-term financing enabled Maximus Group to purchase inventory and inputs from vendors and fund working capital needs for its day to day operations.

30. Unfortunately, changing market conditions and the relationship with Maximus Group's primary lender resulted in two negative ramifications from Maximus Group's lending positions.

31. First, despite incurring the upfront cost of purchasing additional equipment, demand from Maximus Group's largest customers has not kept up with projected demand as contemplated at the time of entering into the MSAs. In particular, one of Maximus Group's largest customers slashed their projected purchases by as much as 50% in 2023. This has been a trend across the commercial vehicle industry.

32. Second, Maximus Group was hampered in its cash position by its primary lender who denied Maximus Group's ability to continue to receive advances on lines of credit and subsequently took unlawful actions against it.

33. Specifically, Maximus Group has worked with Centier Bank ("Centier") as its senior lender as its business has grown over the last three and a half years. This relationship was formed in conjunction with Maximus Group's relationship with Cambridge Capital Management, the management company for the Indiana Statewide Certified Development Corporation ("CDC") that provides U.S. SBA 504 loans ("**SBA 504 loans**") to borrowers in the state of Indiana.

34. Under the SBA 504 loan program, a private lender will typically supply 50% of the financing for a project, the CDC will typically provide 35% of the financing, and the borrower is responsible for the remaining 15%.

35. In 2022, MIC and MSCH took out two loans with Centier through the SBA 504 loan program for the purpose of purchasing equipment necessary for its growth. Such loans are evidenced by the following loan documentation:

- a. A Promissory Note dated October 19, 2022 in favor of Centier in the original principal amount of \$2,250,000 ("**SBA Note 1**"). MIC and MSCH's execution of SBA Note 1 corresponded with a Lender Agreement dated December 1, 2022 between Centier and the CDC ("**Lender Agreement 1**"), and
- b. A Promissory Note dated December 7, 2022 in favor of Centier in the original principal amount of \$374,580 ("**SBA Note 2**"). MIC and MSCH's execution of SBA Note 2 corresponded with a Lender Agreement dated February 8, 2023 between Centier and the CDC ("**Lender Agreement 2**").

36. In order to secure SBA Note 1, MTS, Maximus Logistics Corp, MSCH, MIC, GC3 Warehousing, GC3 Logistics, Action SCS, and MLS, respectively, provided Centier with Commercial Security Agreements all dated October 19, 2022 ("**Commercial Security Agreements**").

37. In 2023, MIC and MSCH took out two revocable lines of credit with Centier to enable the purchase of inventory and other input costs, as well as fund

working capital needs for its day to day operations. Such lines of credit are evidenced by the following loan documentation:

- a. A Promissory Note in the original principal amount of \$5,000,000 dated February 22, 2023, executed by MLS in favor of Centier, along with accompanying loan documents (“**RLOC Note 1**”), and
- b. A Promissory Note in the original principal amount of \$2,500,000 dated May 12, 2023, executed by MIC and MSCH in favor of Centier, along with accompanying loan documents (“**RLOC Note 2**”).

38. Neither MLS, MIC, nor MSCH signed a commercial security agreement for RLOC Note 1 or RLOC Note 2. Instead, RLOC Notes 1 and 2 were collateralized by a Collateral Allonge referencing the Commercial Security Agreements executed at the time of SBA Note 1 which secured SBA Note 1.

39. In December 2023, MIC and MSCH purchased additional equipment through the SBA 504 loan program evidenced by a Promissory Note dated December 18, 2023 in favor of Centier in the original principal amount of \$3,062,050 (“**SBA Note 3**”). MIC and MSCH’s execution of SBA Note 3 corresponded with a Lender Agreement dated December 7, 2023 between Centier and the CDC (“**Lender Agreement 3**”) (collectively with Lender Agreements 1 and 2 as, “**Lender Agreements**”).

40. The Lender Agreements are designed to prevent a private lender from cross-collateralizing, cross-defaulting, and early-calling or accelerating SBA 504 loans due to issues with other private loans issued by a third-party lender to a

borrower. Further, the Lender Agreements mandate that the CDC is provided 30-days' written notice of a declaration of default from a third-party lender and 60-days' written notice of a third-party lender's intention to foreclose or take action against common collateral.

41. On March 12, 2024, Maximus Group and Centier entered into a Forbearance Agreement and Loan Modification Agreement (**"Forbearance Agreement"**). Pursuant to the terms of the Forbearance Agreement, Maximus Group obligated itself to sell certain real estate and payoff two unmatured loan obligations early to Centier. In March, Maximus Group completed that sale and immediately remitted nearly \$5 million in funds to Centier. As a result of that transaction and Maximus' strict compliance with its obligations pursuant to the Forbearance Agreement, Centier led Maximus Group to believe it would work with Maximus Group to refinance RLOC Notes 1 and 2 or otherwise allow time to complete further transactions aimed to pay off this short-term indebtedness.

42. Instead, upon expiration of the Forbearance Agreement on April 9, 2024 Centier declared default of the short-term indebtedness under RLOC Notes 1 and 2, declared cross-defaults of long-term indebtedness under SBA Notes 1, 2, and 3 notwithstanding the Lender Agreements and federal law precluding this action; and then accelerated all amounts borrowed under RLOC Notes 1 and 2 and SBA Notes 1, 2, and 3.

43. Contemporaneous with declaration of default, Centier aggressively engaged in self-help remedies provided under the Commercial Security Agreements including without limitation:

- a. freezing Maximus Group's access to its bank accounts at Centier so that Maximus Group could no longer view its accounts, access its funds, or pay its vendors, employees, and other critical operating expenses;
- b. notifying Maximus Group it was "setting off" funds in its accounts at Centier against all of the accelerated indebtedness; and
- c. sending letters to all of Maximus Group's customers notifying them of the alleged default and demanding the customers "make payments on outstanding accounts directly to the Bank" instead of Maximus Group.

44. These actions caused immediate strain on Debtors' operations, ability to access cash, to pay employees, and caused confusion among Maximus Group's customers on who should be paid accounts receivable. Additionally, it cause harm to the goodwill and otherwise good reputation among its customers.

45. On April 11, 2024, Debtors filed their Verified Complaint for Declaratory Relief and Other Relief against Centier as well as a Motion for Temporary Restraining Order and Preliminary Injunction in the Tippecanoe Superior Court 2 under Cause No. 79D02-2404-MI-000097 ("**Litigation**"). On April 11, 2024, the Court

granted a Temporary Restraining Order against Centier which remains in effect to date.

46. On May 2, 2024, Centier filed Verified Counterclaim to Enforce Promissory Notes and Guaranties, Foreclose Security Interest and Request for Immediate Appointment of a Receiver (“**Counterclaim**”) and an Emergency Motion to Appoint a Receiver (“**Receiver Motion**”). In the Counterclaim, Centier pursued breaches of contract under SBA Notes 1, 2, and 3 as well as RLOC Notes 1 and 2 alleging a total accelerated indebtedness of over \$9 million.

47. On June 13, 2024, Centier filed its Verified Amended Counterclaim and Third-Party Claims to Enforce Promissory Notes and Guaranties, Foreclose Security Interest and Request for Immediate Appointment of a Receiver (“**Amended Counterclaim**”) completely removing the allegations related to defaults of SBA Notes 1, 2, and 3 and, thereby, reducing its demand to \$3.5 million. By its Receiver Motion, Centier sought to have the state court appoint a receiver over Maximus Group’s cash, inventory, and accounts receivable.

48. Due to the Litigation and the threat to Debtors’ ability to operate, Debtors have sought bankruptcy protection.

Plan to Spin-off Affiliates and Reorganize Debt

49. Prior to the Petition Date, Debtors have had extensive discussions with potential purchasers of Assets of the Debtors or its affiliates which purchase price would pay down certain secured obligations and fund reorganization of the remaining debt (if any).

50. In particular, Debtors and Wabash are concurrently working on finalizing the terms of a transaction involving assets of MIC which is a subsidiary of Maximus Logistics and provides manufacturing services. Further, Debtors have been in extensive communications with interested parties in Debtors' transportation business through affiliate MTS.

51. The purchase prices contemplated by these sales or spin-offs would garner sufficient funds to pay the secured debt of Creditors associated with the Assets or affiliate business as well as fund reorganization of Debtors' remaining debt (if any).

52. Debtors project having the terms of such sales or spin-offs in the next 90 to 120 days at which time Debtors will be able to present a plan of reorganization.

Secured Loans/Creditors

53. Upon a preliminary review of UCC-1 Financing Statements filed with the Indiana Secretary of State against Debtors, the following creditors may hold interests or asserts liens in assets of the Debtors ("**Creditors**"):

Debtor Entity	Secured Party
Maximus Supply Chain Holdings, LLC	Centier Bank
Maximus Supply Chain Holdings, LLC	The Community Investment Fund of Indiana, Inc.
Maximus Supply Chain Holdings, LLC	Indiana Community Business Credit Corporation
Maximus Supply Chain Holdings, LLC	Lynx Capital Corporation
Maximus Supply Chain Holdings, LLC	Cambridge Ventures, L.P.
Maximus Supply Chain Holdings, LLC	M&T Equipment Finance Corporation
Maximus Supply Chain Holdings, LLC	Cambridge Ventures, L.P.
Maximus Supply Chain Holdings, LLC	OP 4 Loan Fund LLC
Maximus Transport Systems, LLC	Centier Bank
Maximus Transport Systems, LLC	The Community Investment Fund of Indiana, Inc.
Maximus Transport Systems, LLC	Indiana Community Business Credit Corporation
Maximus Transport Systems, LLC	Lynx Capital Corporation

Maximus Transport Systems, LLC	Cambridge Ventures, L.P.
Maximus Transport Systems, LLC	First Business Specialty Finance, LLC
Maximus Transport Systems, LLC	M&T Equipment Finance Corporation
Maximus Transport Systems, LLC	OP 4 Loan Fund LLC
Maximus Logistics Corporation	Lynx Capital Corporation
Maximus Logistics Corporation	First Business Specialty Finance, LLC
Maximus Logistics Corporation	International Financial Services Corporation
Maximus Logistics Corporation	M&T Equipment Finance Corporation
Maximus Logistics Corporation	Cambridge Ventures, L.P.
Maximus Logistics Corporation	OP 4 Loan Fund LLC
Maximus Logistics Solutions, LLC	Centier Bank
Maximus Logistics Solutions, LLC	The Community Investment Fund of Indiana, Inc.
Maximus Logistics Solutions, LLC	Indiana Community Business Credit Corporation
Maximus Logistics Solutions, LLC	Lynx Capital Corporation
Maximus Logistics Solutions, LLC	Advantage Platform Services Inc.
Maximus Logistics Solutions, LLC	International Financial Services Corporation
Maximus Logistics Solutions, LLC	International Financial Services Corporation
Maximus Logistics Solutions, LLC	Navitas Credit Corp.
Maximus Logistics Solutions, LLC	M&T Equipment Finance Corporation
Maximus Logistics Solutions, LLC	Western Equipment Finance
Maximus Logistics Solutions, LLC	Cambridge Ventures, L.P.
Maximus Logistics Solutions, LLC	OP 4 Loan Fund LLC
Maximus Logistics Solutions, LLC	Dominion Technologies Group, Inc.
Maximus Logistics Solutions, LLC	International Financial Services Corporation
Maximus Logistics Solutions, LLC	Mitsubishi HC Capital America, Inc.
Action SCS LLC	Centier Bank
Action SCS LLC	BFG Corporation
Action SCS LLC	The Community Investment Fund of Indiana, Inc.
Action SCS LLC	Indiana Community Business Credit Corporation
Action SCS LLC	Lynx Capital Corporation
Action SCS LLC	Cambridge Ventures, L.P.
Action SCS LLC	BFG Corporation
Action SCS LLC	Cambridge Ventures, L.P.
Action SCS LLC	OP 4 Loan Fund LLC
Action SCS LLC	BFG Corporation
GC3 Logistics, Inc.	Centier Bank

GC3 Logistics, Inc.	Tom McLeod Software Corporation
GC3 Logistics, Inc.	Bank of the West
GC3 Logistics, Inc.	International Financial Services Corporation
GC3 Logistics, Inc.	BFG Corporation
GC3 Logistics, Inc.	ENGs COMMERCIAL FINANCE CO.
GC3 Logistics, Inc.	BFG Corporation
GC3 Logistics, Inc.	Blue Bridge Financial, LLC
GC3 Logistics, Inc.	The Community Investment Fund of Indiana, Inc.
GC3 Logistics, Inc.	Indiana Community Business Credit Corporation
GC3 Logistics, Inc.	Lynx Capital Corporation
GC3 Logistics, Inc.	International Financial Services Corporation
GC3 Logistics, Inc.	BFG Corporation
GC3 Logistics, Inc.	Cambridge Ventures, L.P.
GC3 Logistics, Inc.	OP 4 Loan Fund LLC
GC3 Warehousing LLC	HYG Financial Services, Inc.
GC3 Warehousing LLC	Centier Bank
GC3 Warehousing LLC	U.S. Small Business Administration
GC3 Warehousing LLC	Bank of the West
GC3 Warehousing LLC	International Financial Services Corporation
GC3 Warehousing LLC	Crestmark Vendor Finance, a division of MetaBank, National Association fka Crestmark Vendor Finance, a division of MetaBank
GC3 Warehousing LLC	BFG Corporation
GC3 Warehousing LLC	ENGs COMMERCIAL FINANCE CO.
GC3 Warehousing LLC	BFG Corporation
GC3 Warehousing LLC	Blue Bridge Financial, LLC
GC3 Warehousing LLC	Unicarriers Capital A Program of De Lage Landen Financial Services
GC3 Warehousing LLC	The Community Investment Fund of Indiana, Inc.
GC3 Warehousing LLC	Indiana Community Business Credit Corporation
GC3 Warehousing LLC	Lynx Capital Corporation
GC3 Warehousing LLC	Unicarriers Capital A Program of De Lage Landen Financial Services
GC3 Warehousing LLC	International Financial Services Corporation
GC3 Warehousing LLC	BFG Corporation
GC3 Warehousing LLC	Cambridge Ventures, L.P.

GC3 Warehousing LLC	OP 4 Loan Fund LLC
---------------------	--------------------

54. Other than the Creditors, I am unaware of any other obligation secured against the operating assets (including cash collateral) of the Debtors.

Employee Wages, Salaries, Reimbursements, & Withholdings

55. Collectively, Debtors have approximately 110 employees (“**Employees**”) operating in various capacities throughout the continental United States.

56. Debtors’ Employees are paid weekly for time worked during the prior week.

57. For each pay period, as required by law, Debtors withhold amounts from each Employees’ pay for federal, state, and local income taxes; Social Security (FICA) and Medicare taxes; and, if applicable garnishment contributions and/or other court-ordered withholding payments.

58. Debtors’ last payroll was June 21, 2024 for all Employees.

59. Debtors are seeking the authority to pay prepetition wages and salaries that accrued prior to the Petition Date and are scheduled to be paid on June 28, 2024 for the Employees’ weekly wages.

60. Debtors are seeking authority to pay certain out-of-pocket expenses incurred by Employees personally on behalf of Debtors while performing work for Debtors including expense for meals, materials, lodging, or fuel. These types of expenses are paid in the ordinary course of business by Employees using personal funds and are subsequently reimbursed by Debtors after submission of reimbursement requests after review and approval.

61. Based on Debtors' records, all wages and salaries earned within 180 days before the Petition Date do not exceed \$5,434,266.13 for Employees.

62. Based on Debtors' records, reimbursements paid within 180 days before the Petition Date do not exceed \$98,837.82.

63. The total estimated payroll and reimbursements that are owed to employees on June 28, 2024 is approximately \$160,000.00.

64. No one employee will be paid more than the amount that would be entitled to priority under section 507(a)(4) of the Bankruptcy Code.

65. Without the authority requested in Maximus Groups' First Day Motion to Pay Prepetition Wages and Salaries, Prepetition Withholding and Other Taxes, and Directing Banks to Honor Such Payments, outstanding payroll and related payments may be dishonored and/or delayed, and not only may cause hardship to innocent employees that rely on payroll to pay personal and family expenses, but such Employees may leave Maximus Group's employ.

Cash Collateral

66. As of the Petition Date, Debtors believe the value of all personal property and assets owned by the Debtors ("**Assets**"), which may be subject to alleged interests of the Creditors, is \$36,000,000.00.

67. Debtors base such estimation on the schedules they have prepared but have had no formal appraisals completed. As such, Debtors' estimation of the value of the Assets is a good faith estimate which may or may not be the actual value of all Assets, and Debtors reserve the right to file their Schedules and Statements or

Amended Schedules and Statements with differing amounts. Debtors further reserve the right to have formal appraisals conducted.

68. Based on Debtors' preliminary investigation and analysis of UCC filings, Debtors believe that the Assets of Debtors may serve as collateral to secure the payment of certain of the above-referenced obligations. Debtors do not concede, however, that any asserted interest is a valid, perfected, or enforceable prepetition lien in and to any of the Assets nor do Debtors concede the priority of any Creditor's interest. Debtors expressly retain the right to contest the validity, perfection, and enforceability of all alleged interests.

69. In particular, Debtors expressly retain the right to contest the validity and enforceability of RLOC Notes 1 and 2 issued by Centier and its ability to secure or perfect a security interest through a Collateral Allonge under the Lender Agreements and applicable federal law.

70. On the Petition Date, Debtors had cash on hand or on deposit in the approximate amount of \$95,052.45, cash held by Centier in the amount of \$150,415.01, and accounts receivable totaling \$2,249,617.03 and certain of Debtors' Petition Date cash and cash equivalents (cash and accounts receivable) may constitute "**Cash Collateral**".

71. In order to permit, among other things, the orderly and continued operation of Debtors' businesses, Debtors have an immediate need to use Cash Collateral in which Creditors may assert an interest. The use of Cash Collateral is necessary to prevent immediate and irreparable harm to Debtors and their property

that would otherwise result if Debtors are prevented from obtaining use of Cash Collateral for the continued operation of their businesses.

72. Interim use of the Cash Collateral is necessary until Debtors can obtain debtor in possession financing.

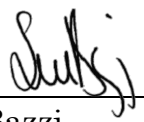
73. Without interim use of the Cash Collateral, Debtors have no present alternative borrowing source from which to secure sufficient additional funding to operate their businesses without utilizing the Cash Collateral.

74. Debtors are unable to operate their businesses without interim use of Cash Collateral. Without interim relief, Debtors will not be able to continue operation more than a few days until a final hearing on *Debtors' First Day Motion for Entry of Interim and Final Orders Authorizing Debtors to Use Cash Collateral for Operating Expenses and Granting Replacement Liens to Secured Creditors* (the “**Cash Use Motion**”) can be held.

75. The proposed budget, attached to the Cash Collateral Motion as **Exhibit A**, includes projected revenue and expenses on a weekly basis for a period of 13 weeks.

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

Dated: June 25, 2024



Sam Bazzi

Combined 13 Week DIP Budget	Forecast FY 2024 Week 1	Forecast FY 2024 Week 2	Forecast FY 2024 Week 3	Forecast FY 2024 Week 4	Forecast FY 2024 Week 5	Forecast FY 2024 Week 6	Forecast FY 2024 Week 7	Forecast FY 2024 Week 8	Forecast FY 2024 Week 9	Forecast FY 2024 Week 10	Forecast FY 2024 Week 11	Forecast FY 2024 Week 12	Forecast FY 2024 Week 13	Total Per Forecast
Week Ending	6/30/2024	7/7/2024	7/14/2024	7/21/2024	7/28/2024	8/4/2024	8/11/2024	8/18/2024	8/25/2024	9/1/2024	9/8/2024	9/15/2024	9/22/2024	
Cash Receipts	\$ 561,474.16	\$ 523,730.30	\$ 445,201.80	\$ 603,898.63	\$ 490,828.89	\$ 971,882.49	\$ 512,505.99	\$ 700,000.00	\$ 425,000.00	\$ 700,000.00	\$ 425,000.00	\$ 700,000.00	\$ 406,098.53	\$ 7,465,620.79
Total Sources of Cash	\$ 561,474.16	\$ 523,730.30	\$ 445,201.80	\$ 603,898.63	\$ 490,828.89	\$ 971,882.49	\$ 512,505.99	\$ 700,000.00	\$ 425,000.00	\$ 700,000.00	\$ 425,000.00	\$ 700,000.00	\$ 406,098.53	\$ 7,465,620.79
<u>Operating Disbursements</u>														
Payroll & Payroll Taxes	\$ -	\$ 329,268.00	\$ 160,126.00	\$ 160,126.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 148,758.00	\$ 1,988,342.00
Employee Benefits	\$ -	\$ 36,000.00	\$ 17,507.12	\$ 17,507.12	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 16,264.22	\$ 217,392.25
Total Employee Related	\$ -	\$ 365,268.00	\$ 177,633.12	\$ 177,633.12	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 165,022.22	\$ 2,205,734.25
Rent & CAM	\$ -	\$ 278,970.00	\$ -	\$ -	\$ -	\$ 278,970.00	\$ -	\$ -	\$ -	\$ -	\$ 278,970.00	\$ -	\$ -	\$ 836,910.00
Utilities/Telephone	\$ -	\$ 11,500.00	\$ 7,500.00	\$ 5,375.00	\$ 8,000.00	\$ 3,500.00	\$ 7,500.00	\$ 5,375.00	\$ 6,093.75	\$ 8,000.00	\$ 3,500.00	\$ 7,500.00	\$ 5,375.00	\$ 79,218.75
Total Occupancy Costs	\$ -	\$ 290,470.00	\$ 7,500.00	\$ 5,375.00	\$ 8,000.00	\$ 282,470.00	\$ 7,500.00	\$ 5,375.00	\$ 6,093.75	\$ 8,000.00	\$ 282,470.00	\$ 7,500.00	\$ 5,375.00	\$ 916,128.75
Sales Tax/Tax/Licenses	\$ -	\$ -	\$ -	\$ 30,333.00	\$ -	\$ -	\$ -	\$ -	\$ 30,333.00	\$ -	\$ -	\$ -	\$ 30,334.00	\$ 91,000.00
Merchandise & Catalog	\$ -	\$ 3,170.00	\$ 1,565.00	\$ 2,400.00	\$ -	\$ 4,435.00	\$ 1,565.00	\$ 2,400.00	\$ 2,100.00	\$ 2,850.00	\$ 1,585.00	\$ 1,565.00	\$ 2,400.00	\$ 26,035.00
Total Freight, Postage, & Handling	\$ -	\$ -	\$ -	\$ 2,050.00	\$ -	\$ -	\$ -	\$ -	\$ 2,575.00	\$ 650.00	\$ -	\$ -	\$ 2,050.00	\$ 7,325.00
Standard Material Costs	\$ -	\$ 214,333.75	\$ 214,333.75	\$ 318,295.75	\$ 179,679.75	\$ 179,679.75	\$ 179,679.75	\$ 179,679.75	\$ 179,679.75	\$ 16,625.50	\$ 16,625.50	\$ 16,625.50	\$ 16,625.50	\$ 1,711,864.00
Operating Supplies (incl. fuel)	\$ -	\$ 58,988.50	\$ 128,739.75	\$ 58,988.50	\$ 58,988.50	\$ 58,937.50	\$ 58,937.50	\$ 58,937.50	\$ 58,937.50	\$ 52,138.75	\$ 52,138.75	\$ 52,138.75	\$ 52,138.75	\$ 750,010.25
Computer Supplies	\$ -	\$ 13,000.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 84,500.00
Other Direct Costs	\$ -	\$ 17,132.75	\$ 8,381.00	\$ 8,381.00	\$ 8,381.00	\$ 8,367.00	\$ 8,367.00	\$ 8,367.00	\$ 8,367.00	\$ 3,343.00	\$ 3,343.00	\$ 3,343.00	\$ 3,343.00	\$ 89,115.75
Total Operating Disbursements	\$ -	\$ 962,363.00	\$ 544,652.62	\$ 609,956.37	\$ 426,571.47	\$ 705,411.47	\$ 427,571.47	\$ 426,281.47	\$ 459,608.22	\$ 255,129.47	\$ 527,684.47	\$ 252,694.47	\$ 283,788.47	\$ 5,881,713.00
<u>Non-Operating Disbursements</u>														
Debtor Professionals								\$ 200,000.00					\$ 150,000.00	\$ 350,000.00
Lender Professionals														
UST Fees														\$ -
Total Bankruptcy Administrative Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ 150,000.00	\$ 350,000.00
Total Non-Operating Disbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000.00	\$ -	\$ -	\$ -	\$ 150,000.00	\$ 350,000.00
Total Uses of Cash	\$ -	\$ 962,363.00	\$ 544,652.62	\$ 609,956.37	\$ 426,571.47	\$ 705,411.47	\$ 427,571.47	\$ 626,281.47	\$ 459,608.22	\$ 255,129.47	\$ 527,684.47	\$ 252,694.47	\$ 433,788.47	\$ 6,231,713.00
Net Cash In (Out)	\$ 561,474.16	\$ (438,632.70)	\$ (99,450.82)	\$ (6,057.74)	\$ 64,257.42	\$ 266,471.01	\$ 84,934.52	\$ 73,718.53	\$ (34,608.22)	\$ 444,870.53	\$ (102,684.47)	\$ 447,305.53	\$ (27,689.94)	\$ 1,233,907.79
Total Cash on Hand	\$ 561,474.16	\$ 122,841.46	\$ 23,390.64	\$ 17,332.89	\$ 81,590.31	\$ 348,061.32	\$ 432,995.84	\$ 506,714.37	\$ 472,106.15	\$ 916,976.67	\$ 814,292.20	\$ 1,261,597.73	\$ 1,233,907.79	