

[Blitz USA / F3 Brands] Customer Q&A

Customer Questions and Answers

1. I have heard you are bankrupt. Are you going out of business?

Our Reorganization Plan is to continue as an ongoing business. Chapter 11 provides a way for [Blitz USA / F3 Brands] to address its financial challenges in order to become a viable entity, while continuing day-to-day operations.

2. Are you looking to sell the Company again?

First, while the Company is in Chapter 11 any business undertakings such as a sale of assets would require approval by the Bankruptcy Court. Moreover, it is too early in the reorganization process to determine if a sale is an appropriate course of action.

3. Why did you file for Chapter 11 protection?

We have been facing litigation claims related to our fuel containment products for many years, but in the past year both the number of these claims and the costs of defending these claims have increased dramatically. We have been working toward a solution for quite some time and have reluctantly determined that the best solution is to file for Chapter 11 protection from these claims. We believe filing for Chapter 11 protection provides the best course of action to support what is in the best interests of our customers, employees and suppliers.

4. What's going to happen while you are in Chapter 11?

It is business as usual. In fact, we are stronger today than we were before we filed because the cloud of uncertainty has been removed and we can focus our time and energy exclusively on developing a long-term solution to the product liability claims that we face to ensure we are around for years to come.

5. How do I know that you are not going to cut corners and try to save money now that you are in bankruptcy?

We took this action so that we can strengthen our business, and cutting corners would be very counter-productive to our goal of manufacturing [the best and safest fuel containment products in the world / quality automotive maintenance, lawn and garden, and storage and organization products] and emerging a stronger more viable company.

6. Will you be cutting back on customer service?

Absolutely not. We continue to operate in the normal course of business and will offer the same customer service as before.

7. Will the Chapter 11 filing effect litigation that also names customers as defendants?

We have requested of the Court to extend the stay of claims against the Companies to also provide a stay of litigation claims that also list our customers as defendants. We will keep you informed of the progress of our efforts. It is our intention to continue to defend our customers against litigation claims related to our fuel containment products.

8. I am still uncomfortable with the current situation and I would like to cancel my contract.

I am very sorry that you feel uncomfortable. We continue to operate the business in the ordinary course, manufacturing products, paying employees and purchasing goods and services from our vendors and suppliers. Requests for contract terminations and/or refunds will be treated according to the terms of the sales contracts, consistent with our normal business practices.

9. What about commitments and incentives you offered before the filing?

We intend to stand behind all commitments and incentives we offered prior to the filing. Our customers continue to be our number one priority.

10. Will I still get the promotions and pricing I was promised?

Yes. As is customary, we have requested a court order authorizing us to continue to proceed with all of our customer programs and we fully anticipate this will be granted. Customers are our priority and we intend to stand by all of our customer commitments.

11. I was promised certain deals as part of my purchase contract. Will these still be honored?

Absolutely. As is customary, we have requested a court order authorizing us to continue to proceed with all of our customer programs and we fully anticipate this will be granted. Customers are our priority and we intend to stand by all of our customer commitments.

12. Blitz USA has faced product liability claims for years, why should customers continue to support the Company?

Yes, because we are committed to manufacturing the safest and best fuel containment product in the market. We intend to be around for many years to come and we hope you will remain our partner as we move through the restructuring process.

General Questions

1. What is Chapter 11?

First and foremost it does NOT mean that the Companies are going out of business. Chapter 11 is a legal mechanism for court-supervised reorganization or restructuring of a company's obligations. Chapter 11 provides a way for our Company to address its financial challenges in order to become a viable entity, while continuing day-to-day operations.

In other words, we filed for Chapter 11 to preserve and strengthen our businesses by addressing our current financial situation.

2. Why did you file for Chapter 11?

Blitz USA and F3 Brands took this action to “stay” or “freeze” the product liability litigation and claims against the Companies and provide the time necessary to develop a long-term solution to addressing the costs of these types of claims. Blitz USA is committed to continue to manufacture the best and safest fuel containment products in the world and F3 Brands is committed to manufacturing quality automotive maintenance, lawn and garden, and storage and organization products.

3. Do you have enough money to stay in business?

Yes, we have arranged \$5MM of Debtor in Possession financing with our existing lenders, led by the Bank of Oklahoma, to ensure we have adequate liquidity during the bankruptcy to continue operations. Our customers should feel reassured that we have taken proactive steps to improve not only our balance sheet but our business at an operational level so that customers continue to receive excellent products and service.

4. Does this mean you are going out of business?

Absolutely not. We filed for Chapter 11 to preserve and strengthen our business by addressing the growing costs of product liability claims against the Companies.

5. What happens during Chapter 11?

The Chapter 11 filing triggers a "stay," which generally prevents anyone from collecting debts owed or claims against the Companies before the petition date, such as payments to suppliers for goods or services received before the filing. Additionally, litigation against the Companies is “stayed” and the Company is not required to devote significant resources in defense of the continuation of the cases.

Chapter 11 permits, and in fact encourages, daily operations to continue. We will continue to manufacture products, pay our employees, and pay for raw materials and services purchased after the filing date in the ordinary course of business.

While operating the business, management will work with the creditors of Blitz USA and F3 Brands to finalize a Reorganization Plan. When the Plan is accepted by the creditors and approved by the Court, it is said to be confirmed and Blitz USA and F3 Brands emerge from Chapter 11 as reorganized companies.

6. How long will the Company be in Chapter 11?

At this juncture it is too early to say. However, our goal is to work through this as quickly as possible.

7. Which entities are included in the filing?

LAM 2011 Holdings, LLC; Blitz Acquisition Holdings, Inc.; Blitz Acquisition, LLC; Blitz RE Holdings, LLC; Blitz U.S.A., Inc.; and F3 Brands LLC.

8. Do companies ever emerge from Chapter 11?

Yes. Many companies have successfully reorganized under Chapter 11.

9. Who will run the company? Will management remain in place?

One of the key aspects of Chapter 11 is that management remains in place. Our management remains committed to the future success of the business.

10. Where can I find additional information?

Blitz USA and F3 Brands have set up a special reorganization information page on their websites, www.blitzusa.com and www.F3brands.com which contains information on the Chapter 11 restructuring. The information on the website is designed to provide information on the restructuring to employees, customers, vendors and suppliers, and any other interested parties.

11. How can I get a copy of the petitions?

Copies of the Chapter 11 petitions and other documents filed with the Court will be available shortly after the filing at www.blitzusa.com and www.F3brands.com. The petitions are also accessible at www.kccllc.net/Blitz.