

[Blitz USA / F3 Brands] Vendor and Supplier Q&A

Vendor and Supplier 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. Will I be paid amounts owed to my organization?

Unfortunately, federal law prohibits payment for goods and services received before the November 9th filing date except pursuant to a Plan of Reorganization that is accepted by creditors and approved by the Court. We want you to know that we are working toward a Plan of Reorganization as quickly as prudently possible. You will receive instructions on how to file a claim in the coming weeks. We sincerely regret any hardship this may cause.

The Bankruptcy Code provides **priority status** for post-petition orders and shipments (goods and services received after the date of filing) that you provide to us. Therefore, you can be assured that we can and will pay for the goods and services you provide to us going forward.

3. How do I make sure I get paid under the terms of a Plan of Reorganization?

Early in the bankruptcy case, Blitz USA and F3 Brands will file a schedule of all known creditors and the amount the Companies believe each creditor is owed. If you appear on the schedules and agree with the scheduled claim amount, you do not need to do anything and your claim will be paid under the terms of the plan. If you do not appear on the schedules, or if you disagree with the scheduled amount of your claim, then you must submit a claim. You will receive a claim notice in the mail in the coming weeks with instructions from the court about how to submit a claim. The Court will eventually set a deadline for all claims to be filed. This deadline is known as the Bar Date. You will receive notice of this deadline once it is set. If the Company determines you have a valid claim, your claim will be treated as described in the Plan of Reorganization. No plan has been filed or approved by the Court at this time, so we cannot say how creditors will be treated.

4. Do I need an attorney to file a claim?

You are not required to hire an attorney to file a claim but you may choose to do so.

5. What if I have an uncashed check from Blitz USA or F3 Brands for work performed before November 9th?

Unfortunately, federal law requires the Company to cancel any checks for pre-petition goods and services that have not been cashed or deposited by the November 9th filing date unless the check relates to a claim that the Company has received court authority to pay. If your check is cancelled, you may have to file a claim unless your claim amount is properly identified by the Companies on schedules that will be filed with the Court. You will receive instructions about whether and how to file a claim in the coming weeks. We sincerely regret any hardship this may cause.

6. Can a supplier re-submit past invoices and get paid for them now?

No, the provisions of the U.S. Bankruptcy Code prohibit that, and filing for protection under Chapter 11 automatically triggers a halt or “Automatic Stay.” This bars, among other things, all collection actions against Blitz USA and F3 Brands for monies past due.

7. Will I be paid for work performed or services provided after the filing date?

Goods and services provided to the Companies after the filing date can and will be paid for in the ordinary course. In fact, the Bankruptcy Code gives **priority status** to such payments. This means that **you will receive payment** for post-petition goods and services on the same terms as existed when we filed.

8. What if I wait to submit an invoice until after the filing date?

Services provided before the filing date will be considered pre-petition and are subject to the “Automatic Stay” that is triggered by the Chapter 11, regardless of when you submit your invoice. Waiting to submit an invoice until after the filing date will not allow you to be paid for the work performed pre-petition.

9. Why should I/my company continue to do business with Blitz USA and F3 Brands?

You will be paid in full for all goods and services provided after the filing date as required by the U.S. Bankruptcy Code. We have always viewed our suppliers and vendors as partners and, while we apologize for any hardship this may cause, we hope to be able to work with you for many years to come. Moreover, pre-petition claims will be resolved through the Company’s Plan of Reorganization.

10. Given the uncertainty of the situation, I want to renegotiate my terms with Blitz USA and/or F3 Brands.

Due to the protection the courts provide to suppliers post-petition, we are an even better credit risk today. While we understand the request, we simply cannot afford to pay more for goods and/or services. Our ability to purchase from you on favorable terms and at competitive prices is critical to our ability to compete in the marketplace, and grow BOTH of our businesses. We expect in the months and years ahead to be as good a customer to you as we have been in the past. We hope you will continue to work with us.

11. I want my merchandise back, and I’m sending someone to get it.

Taking back goods from a company that has filed Chapter 11 is against the law. Check with your legal counsel before taking any such action.

12. Where may I send a letter of reclamation?

Letters of reclamation should be mailed to James King at jking@blitzusa.com or 404 26th Avenue NW, Miami, OK 74354.

13. How do I file a proof of claim?

A complete list of creditors, including your company, is being prepared by our attorneys. A noticing agent will send official notice of the filing and the first creditors' meeting to all listed creditors. Sometime after the first creditors' meeting, the Court will set a deadline for filing proofs of claim and you will be mailed a notice telling you of the deadline, or bar date, along with a claim form. All claims will be filed with Kurtzman Carson Consultants. If you wish to file a proof of claim sooner, please contact them at www.kccllc.com or 310-823-9000, or visit the reorganization section of our website, www.blitzusa.com or www.f3brands.com and click on "Court Documents" for a proof of claim form and filing information.

14. How do I get placed on the critical vendor list?

Please contact Michael Merchant of Richards Layton Finger at merchant@rlf.com or 302-651-7854.

15. As an unsecured creditor, who is looking after my interests?

The U.S. Trustee, an arm of the Justice Department, will most likely appoint a committee of unsecured creditors to oversee the interests of all unsecured creditors in the case. The U.S. Trustee will send out notice of the meeting to form the committee to all unsecured creditors. That organizational meeting typically takes place within the first two weeks of the case.

16. Are you looking to sell the Company?

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.

17. 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 the number of these claims and the costs of defending ourselves against 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.

18. 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.

19. 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.

20. Blitz USA has faced product liability claims for years, why should vendors and suppliers continue to support the Company?

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 reorganization process.

General Questions

1. What is Chapter 11?

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 claims against the Companies and provide the time necessary to develop a long-term solution to addressing the costs of these 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?

We have arranged Debtor in Possession financing from our current bank group that will allow us the ability to develop a plan of reorganization during the bankruptcy process. We expect with the backing of our bank group led by the Bank of Oklahoma that our customers and vendors will continue to support the Companies.

Our customers should feel reassured that we have taken proactive steps to improve not only our financial stability 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?

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 “freeze” or “stay” of claims 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 emerges 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 www.kccllc.net/Blitz.