

# NorthStar ABC

A Series Limited Liability Company

Assignment for the Benefit of Creditors Services

March 23, 2020

TO THE CREDITORS AND SHAREHOLDERS OF

NS, INC. F/K/A NORTHSTAR HEATING AND AIR  
AIR CONDITIONING, INC., an Illinois Corporation  
2200 GREEN BAY ROAD  
EVANSTON, IL 60201

RE: **GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS**

To Whom It May Concern:

Please be advised that NS, Inc., formerly known as NorthStar Heating and Air Conditioning, Inc., an Illinois Corporation (“NorthStar” or the “Company”) executed a general assignment for the benefit of creditors in favor of NorthStar ABC, LLC, a series LLC of DSI ABCs, LLC, a Delaware limited liability company, on March 17, 2020. This action was taken and approved by the unanimous consent of NorthStar’s directors and shareholders.

NorthStar which served the Chicagoland area for 52 years, experienced business and financial difficulties due to a significantly more competitive environment and the abnormally tepid weather over the last few seasons. NorthStar explored many options including streamlining costs, increased innovative marketing efforts and an entire revamp of its pricing model. Unfortunately, these efforts failed to yield the desired results.

As business declined and working capital was depleted, the company was unable to service its debts and stay current on its trade debt. With no alternatives, and a desire to best serve and migrate the long term customer base, the company entered another effort to market and sell the Company. This effort proved successful and NorthStar was able to sell its existing service contracts, customer lists and unfinished jobs along with its intellectual property including its tradename, telephone number and social media accounts to Deljo Heating and Cooling, Inc. (“Deljo”). The terms of the sale did not include the assumption of liabilities or the stock of NorthStar. Deljo did not assume any lease obligations, accounts payables or the expenses involved in the wind down of NorthStar. As a result of these actions, NorthStar deemed the most efficient way to wind down the company was to enter into an assignment for the benefit of creditors.

The proceeds of the sale were insufficient to effectively wind down NorthStar. In order to augment and provide the funding for the wind down and assignment for the benefit of creditors, a shareholder agreed to provide funding on a priority secured basis to permit the wind down to go forward.

CHICAGO

10 South LaSalle Street, Suite 3300 • Chicago, Illinois 60603 • Telephone: 312.263.4141 • Fax: 312.263.1180 • [www.DSIAssignments.com](http://www.DSIAssignments.com)

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March 21, 2020

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For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However Illinois law controls rather than Federal bankruptcy law. Experience has proven that in circumstances such as those in this instance, estates administered through general assignments typically return a greater recovery on the assets of the estate, quicker and more economically than the bankruptcy process. There is no guaranty, however, in light of the outstanding and un-assumed indebtedness, that there will be any recoveries for general unsecured creditors at this time.

This notice is being sent to all known creditors of NorthStar, including taxing authorities and all representatives of creditors. Attached hereto creditors will find a form of Proof of Claim by which creditors can file their claims with the Assignee. If you have received this letter, you may be a creditor of the Company, however, the fact that you have received this letter does not mean that you have a claim or that the Company or the Assignee believes that you have a claim. Please note that the last day to file proofs of claim in this estate is July 15, 2020. Creditors who fail to file their proof of claim by that date will not be entitled to share in any distributions arising out of the liquidation of the Company's assets should there in fact be any funds available for distribution to unsecured creditors. The Assignee will accept proofs of claim via facsimile, e-mail or through our website as long as they are received by the claims bar date of July 15, 2020 and the original signed proof of claim is received by the Assignee shortly thereafter. Please remember to include copies of your supporting invoices or statements with your proof of claim. The fact that the Assignee is accepting proofs of claim is not a guaranty that there will be any recovery for unsecured creditors from the liquidation of the assets of the Company.

Information regarding the general assignment may also be found at [www.dsiassignments.com](http://www.dsiassignments.com).

Please do not hesitate to contact Steve Victor ([svictor@dsiconsulting.com](mailto:svictor@dsiconsulting.com)) or William G. Brandt ([wgbrandt@dsiconsulting.com](mailto:wgbrandt@dsiconsulting.com)) by e-mail or telephone at (312) 263-4141.

Thank you for your consideration and cooperation in this matter.

Steven L. Victor  
Authorized Representative  
NorthStar ABC, LLC, a Series of  
DSI ABCs, a Series Limited Liability Company  
Solely in Its Capacity as Assignee for the  
Benefit of Creditors of NS, Inc.  
fka NorthStar Heating and Air Conditioning, Inc.

**NorthStar ABC**

A Series Limited Liability Company

**TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF CREDITORS  
OF NORTHSTAR HEATING AND AIR CONDITIONING, INC.**

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THIS TRUST AGREEMENT AND ASSIGNMENT FOR THE BENEFIT OF CREDITORS (this "Trust Agreement and General Assignment") is made and entered into effective the 17th day of March, 2020, by and between NS, Inc. (f/k/a NorthStar Heating and Air Conditioning, Inc.), an Illinois corporation, located at 2200 Green Bay Road, Evanston, IL 60201, Federal Tax Identification Number 36-2729708 (the "Assignor"), and NorthStar ABC, a series LLC organized under the laws of the State of Delaware ("NorthStar ABC"), located at 10 South LaSalle Street, Suite 3300, Chicago, IL 60603 (the "Trustee-Assignee").

**WITNESSETH:**

WHEREAS, Assignor (1) is indebted to various persons and other entities and is unable to pay its debts in full, (2) has decided to discontinue its business, and (3) is desirous of transferring its property, pursuant to section 2, in trust to an assignee for the benefit of its creditors so that the property so transferred may be expeditiously liquidated and the proceeds thereof be fairly distributed to the Assignor's creditors without any preference of priority, except as set forth in section 6(f) or as permitted or required by applicable law;

NOW, THEREFORE, in consideration of Assignor's existing indebtedness to its creditors, the express undertakings of the Trustee-Assignee and the mutual covenants contained herein, it is hereby AGREED:

1. **Creation and Purpose of Trust.** The name of the Trust shall be the "NorthStar Trust Agreement" (the "Trust") and its purpose shall be the orderly liquidation of the Trust assets and the distribution of the proceeds therefrom to creditors of Assignor in accordance with applicable law. Assignor hereby nominates and appoints NorthStar ABC as Trustee-Assignee to carry out the purpose of this Trust in accordance with its terms and conditions. The Trustee-

Assignee shall have the powers and duties hereinafter set forth and, subject to section 12 hereof, shall receive reasonable compensation for its services and reimbursement of its expenses, including, but not limited to reimbursement of its attorneys' fees and costs. The Trustee-Assignee may serve without bond. In the event the Trustee-Assignee resigns or is unable to fulfill its duties as set forth herein, the Assignor may appoint a qualified Successor Trustee; provided, however, that such Successor Trustee shall be bound by any and all acts taken by the Trustee-Assignee and shall succeed to any lawful agreement executed by the Trustee-Assignee in the administration of the Trust Property.

2. **Transfer of Assets.** Assignor does hereby grant, convey, assign, transfer and set over to the Trustee-Assignee any and all of its rights, title and interest in property, whether real or personal, tangible or intangible, or otherwise, wherever situated and by whomever held, which are now, or ever have been, used in connection with the operation of Assignor's business (the "Trust Property"). The Trust Property shall include, without limitation, cash on hand; bonds; deposits; bank and brokerage accounts; accounts receivable; customer lists; furniture, fixtures and equipment; leases, leasehold interests and leasehold improvements, subject to the Assignee's/Trustee's right to abandon such leasehold interest(s) without liability to the Trustee-Assignee in accordance with applicable law; inventory, insurance premium and/or policy refunds; general intangibles; copyrights, licenses, patents, trade names, trademarks, franchises, service marks or other intellectual property; social media sites or accounts; URLs; and claims against third parties or other causes of action. Title to the Trust Property shall immediately vest in the Trustee-Assignee for the use and purpose hereinafter set forth.

3. **Leases and Leasehold Interests.** This Trust Agreement and General Assignment includes all leases and leasehold interests in any asset of the Assignor; however should the

Assignee determine that said lease or leasehold interest is of no value to the estate, then said interest is thereby relinquished without further liability or obligation to the Assignee.

4. **Intentionally Omitted.**

5. **Forwarding of Mail.** Assignor authorizes the forwarding of its mail by the U.S. Postal Service as directed by Assignee.

6. **Powers and Duties of Trustee-Assignee.** The Trustee-Assignee shall have the following powers, rights and duties:

(a) To collect any and all accounts receivable owing to Assignor.

(b) To sell, abandon, or otherwise dispose of the Trust Property in a manner that the Trustee-Assignee, in the exercise of its business judgment, deems appropriate and to execute any and all documents necessary to effectuate such dispositions of the Trust Property and to convey title to same.

(c) To employ attorneys, accountants, auctioneers and such additional professionals (the "Trustee-Assignee's Professionals") to the extent reasonable and necessary to the administration of the Trust and the Trust Property.

(d) To require all creditors asserting claims against the Assignor to submit verified statements of their accounts.

(e) To settle any and all claims against or in favor of Assignor, with full power to compromise, to sue or be sued, and to prosecute or defend any claim or claims of any nature whatsoever existing against or in favor of Assignor.

(f) To distribute the proceeds of Trust Property:

1. **First**, to deduct all sums which Trustee-Assignee may at its option pay for the discharge of any lien on any of said property and any indebtedness which under the law is entitled to priority of

payment and to reimburse Assignee as to all costs advanced by the Assignee or any third party for the preservation of the assignment estate's assets, including the maintenance and insurance of said assets and, the expenses of any operation of the Assignor or indemnification of the Trustee-Assignee;

2. **Second**, all costs for the preservation of the Trust Property, including the maintenance and insurance thereon, the expenses of any operation of the Assignor's business at the Assignee's sole discretion, and such other administrative expenses as may be reasonably incurred;

3. **Third**, all costs and expenses incidental to the administration of the Trust, including the remuneration of the Trustee-Assignee and the payment of reasonable compensation for the services of the Trustee-Assignee's Professionals. These costs and expenses shall include those incidental to the preparation and execution of this Trust Agreement;

4. **Fourth**, to the extent that such debts are entitled to priority payments under applicable law, all debts owing to any agency of the United States of America as of the date of this Trust Agreement, including, but not limited to, federal withholding tax, federal unemployment tax and other federal income, excise, property and employment taxes pursuant to 31 U.S.C. Section 3713;

5. **Fifth**, to the extent that such debts are entitled to priority payment under applicable law, all debts owing to the state as of the date of this Trust Agreement, including, but not limited to, state employment, property and income taxes and any applicable foreign state tax obligations;

6. **Sixth**, all other debts owing as of the date of this Trust Agreement that are entitled to priority treatment and payment under applicable law;

7. **Seventh**, with the exception of those classes set forth above, all distributions to other creditors shall be, within each class, pro rata in accordance with the terms of each creditor's indebtedness, until all such debts are paid in full. The Trustee-Assignee shall make interim distributions whenever the Trustee-Assignee determines, in its reasonable discretion, that the Trustee-Assignee has accumulated sufficient funds (less any reserves the Trustee-

Assignee deems appropriate) to enable it to make a reasonable distribution; and

8. **Eighth**, the surplus, if any, of the Trust's funds, when all debts of the Trust shall have been paid in full, shall be paid and transferred to Assignor by the Trustee-Assignee. Provided, however, that to the extent applicable law requires payment of certain claims or class of claims in a priority other than as set forth above, such claims shall be paid in accordance with applicable law, and not in the priority set forth above.

(g) To do and perform any and all other acts necessary and proper for the orderly liquidation or other disposition of Trust Property, including, but not limited to, abandonment of the assets and property of Assignor and the distribution of the proceeds derived therefrom to the creditors of Assignor.

7. **Rights of Creditors.** All rights and remedies of the creditors against any surety or sureties for Assignor are hereby expressly reserved and nothing herein shall prevent the creditors or any of them from exercising their rights against third parties or persons who may be liable to any of the creditors for all or any part of their claims against Assignor, or from enforcing or otherwise obtaining the full benefit of any mortgage, charge, pledge, lien or other security which they now hold on any property, creditors or effects of Assignor.

8. **Administration of Trust.** This Trust shall be administered out of court. The Trustee-Assignee shall, however, have the right to ask any court of competent jurisdiction for a declaratory judgment or such other relief as the Trustee-Assignee may deem necessary, if, in its opinion, said action is desirable in connection with any dispute or claim arising hereunder.

9. **Liability of Trustee-Assignee.** It is understood and agreed that neither the Trustee-Assignee nor Development Specialists, Inc., or any of its employees, officers, agents or representatives will assume any personal liability or responsibility for any of its acts as Trustee-

Assignee herein, but its obligation shall be limited to the performance of the terms and conditions of this Trust Agreement and General Assignment in good faith and in the exercise of its best business judgment. The Trustee-Assignee shall be indemnified and held harmless by the assignment estate for any claims, losses or liabilities brought by any party against the Trustee-Assignee, Development Specialists, Inc., its agents, employees or representatives (“Indemnitees”) for any acts or omissions of the Indemnitees, except where it is determined by a final order of a court of competent jurisdiction that the Indemnitees’ conduct constitutes gross negligence or willful misconduct.

10. **Warranties of Assignor.** Assignor hereby warrants as follows:

(a) The list of creditors delivered concurrently herewith to the Trustee-Assignee is complete and correct as reflected by the books and records of Assignor, or through its officers and directors, as to names of said creditors, their addresses and the amounts due them.

(b) Assignor, through its officers and directors, shall perform any and all acts reasonably necessary and proper to assist the Trustee-Assignee in the orderly liquidation of Assignor’s assets and the collection of monies owing to Assignor, and in the distribution of said monies and the proceeds of asset sales to Assignor’s creditors; provided, however, the officers and directors of Assignor shall only provide such assistance to the Trustee-Assignee to the extent, and on the condition that, they are reasonably compensated for such services.

11. **Power of Attorney.** The Assignor, by this Trust Agreement and General Assignment hereby grants the Trustee-Assignee a general power of attorney, which power of attorney specifically includes the right of the Trustee-Assignee to prosecute any action in the name of the Assignor as Attorney in Fact. Further, on the date the Trust Agreement and General Assignment is accepted by the Trustee-Assignee, the Trustee-Assignee shall succeed to all of the




rights and privileges of the Assignor, including any attorney-client privilege, in respect to any potential or actual claims, cases, controversies, causes of action, etc. and shall be deemed to be a representative of the Assignor with respect to all such potential or actual claims, cases, controversies, causes of action, etc.

12. **Acceptance by Trustee-Assignee.** By execution of this Trust Agreement and General Assignment, the Assignee does hereby accept the estate herein created and agrees to faithfully perform its duties according to the best of the Assignee's skill, knowledge and ability. It is understood that the Assignee shall receive reasonable compensation for its services in connection with this estate. Reasonable compensation is defined to mean a fee of (a) the lesser of \$40,000 or Development Specialists, Inc.'s customary hourly rate, of which \$20,000 shall be paid as a nonrefundable deposit concurrently with the Trust Agreement and General Assignment. Reasonable compensation does not replace or subsume the reimbursement of all the Assignee's expenses incurred as a result of the administration of the assignment estate from the proceeds generated therefrom.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

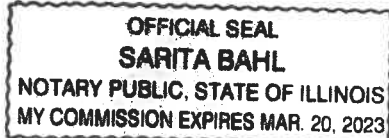
**NS, INC., (f/k/a NorthStar Heating  
and Air Conditioning, Inc.), an Illinois  
corporation**

  
\_\_\_\_\_  
By: Gerald A. Stein (sign)  
Its: Vice President

State of Illinois  
County of Cook

At Evanston, Illinois, this 17<sup>th</sup> day of March, 2020 Subscribed and Sworn to before me this  
17<sup>th</sup> day of March, 2020.

  
\_\_\_\_\_  
NOTARY PUBLIC

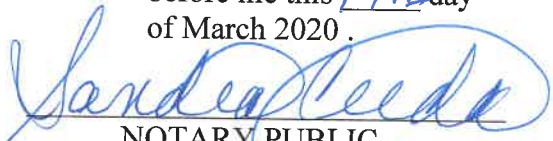


**ACCEPTANCE**

NorthStar ABC, a series LLC, hereinabove named, does hereby accept the Trust, not individually, but solely in its capacity as Trustee-Assignee, subject to the conditions set forth above.

  
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At Chicago, Illinois, this 17<sup>th</sup> day of March 2020  
Subscribed and Sworn to  
before me this 17<sup>th</sup> day  
of March 2020 .

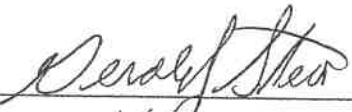
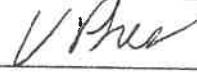
  
NOTARY PUBLIC



STATEMENT OF CREDITORS AND SHAREHOLDERS

Attached hereto is a schedule of all known creditors of NorthStar Heating and Air Conditioning, Inc. as well as all known shareholders of NorthStar Heating and Air Conditioning, Inc. including each person's address, including city, state and zip codes, together with the amount due each creditor.

This Statement is signed under penalty of perjury by the undersigned on this \_\_\_\_ day of March, 2020.

By:   
Title: 

**Unanimous Written Consent of Directors and Shareholders  
of NorthStar Heating and Air Conditioning, Inc.**

*(See attached)*

**NORTHSTAR HEATING AND AIR CONDITIONING, INC.  
UNANIMOUS WRITTEN CONSENT OF DIRECTORS AND SHAREHOLDERS**

The undersigned, being all of the Directors and all of the Shareholders of NorthStar Heating and Air Conditioning, Inc., an Illinois corporation (the "**Company**"), in accordance with and pursuant to the Company's bylaws and the Illinois Business Corporation Act, without a meeting or other notice, the same being hereby waived, do hereby unanimously consent to, adopt, and approve the following resolutions, effective as of the 16th day of March, 2020 (the "**Effective Date**"):

**WHEREAS**, in the judgment of the Directors and Shareholders of the Company, based in part upon the Company's cash shortfall and declining revenues, it is desirable and in the best interests of the Company, its creditors, equity holders, and other interested parties that the Company enter into a Trust Agreement and Assignment for the Benefit of Creditors ("**Trust Agreement**"), thereby causing to be made an assignment of its assets to the Trust so created, with the object being an orderly liquidation of the Company's business and assets;

**NOW, THEREFORE, BE IT RESOLVED** that each of Louise I. Tausché, a Director and President of the Company, Daniel W. ("Webber") Scott, IV, a Director of the Company, and Gerald A. Stein, a Director and Vice President of the Company, acting together or alone (each, a "**Designated Officer**"), is hereby authorized and directed to execute and deliver to NorthStar ABC, a series LLC, as Trustee/Assignee, all necessary papers and documents pertaining to the creation of the Trust, including, without limitation, the Trust Agreement, and the Trustee/Assignee shall be authorized to do any and all acts necessary, advisable, or proper in order to fully carry out the intent and purposes of such Trust Agreement;

**IT IS HEREBY FURTHER RESOLVED** that Quarles & Brady LLP, the Company's outside counsel, was retained by the Company prior to the execution of the Trust Agreement and is hereby authorized to represent the Company, as Assignor, during and in connection with the Trust Agreement and the assignment for the benefit of creditors effected thereby;

**IT IS FURTHER RESOLVED** that each Designated Officer is hereby authorized and directed to execute and deliver any and all other papers and documents, and to take any and all other acts which may be necessary, advisable, or proper in order to fully carry out the intent and purposes of the Trust Agreement, all such actions to be performed in such manner, and all such papers and documents to be executed and delivered in such form, as the Designated Officer performing or executing the same shall approve, the performance or execution thereof by such Designated Officer to be conclusive evidence of the approval thereof by each Designated Officer and the Company;

**IT IS FURTHER RESOLVED** that all actions taken by any Designated Officer and/or by any other officer or director of the Company in connection with or

in furtherance of the foregoing resolutions be, and all such actions hereby are, confirmed, ratified, and approved in all respects, and

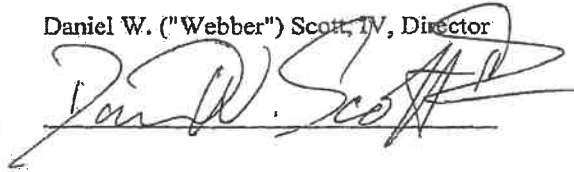
**IT IS FURTHER RESOLVED**, that (i) this Unanimous Written Consent of Directors and Shareholders may be executed in counterparts, each of which shall be deemed an original; (ii) electronic signatures transmitted in Portable Document Format (PDF) shall have the same force as original signatures, and (iii) all counterparts, when taken together, shall constitute but one single original document.

**IN WITNESS WHEREOF**, the undersigned Directors and Shareholders have executed this Unanimous Written Consent of Directors and Shareholders as of the Effective Date.

Louise I. Tausché, Director and Shareholder



Daniel W. ("Webber") Scott, IV, Director



Gerald A. Stein, Director and Shareholder



# NorthStar ABC, a series LLC

A Series Limited Liability Company

Assignment for the Benefit of Creditors Services

## PROOF OF CLAIM

The undersigned creditor of:

NS, Inc. f/k/a NorthStar Heating and Air Conditioning, Inc.  
2200 Green Bay Road  
Evanston, Illinois 60201

hereby submits its claim in the general assignment estate created upon the execution and acceptance of the general assignment in favor of NorthStar ABC, a series limited liability company, solely in its capacity as Assignee for the benefit of creditors of the Assignor, as of March 17, 2020 in the amount as set forth below and substantiated by the attached invoices or statement of account.

Date Submitted: \_\_\_\_\_ Amount of Claim: \$\_\_\_\_\_

Name of Creditor: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/ZIP: \_\_\_\_\_

Telephone: (    ) \_\_\_\_\_ Fax: (    ) \_\_\_\_\_

Email: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

*NOTE: Interest is applicable only to the date of the assignment and then only in the event a written agreement exists between you and the Assignor providing for the payment of interest.*

Return completed form to NorthStar ABC, a series LLC  
c/o Development Specialists, Inc.  
10 South LaSalle Street, Suite 3300, Chicago, IL 60603  
(312) 263-4141/FAX (312) 263-1180

**Note: If faxing the proof of claim, the original must be received by the Assignee by July 15, 2020**