

RuMe ABC

a series of DSI ABCs, LLC,
a Delaware series limited liability company
Assignment for the Benefit of Creditors Services

November 9, 2020

e-mail: svictor@DSIConsulting.com

RuMe, Inc.
6981 S. Quentin Street, Suite D
Centennial, CO 80112

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

Dear Sir or Madam:

Please be advised that RuMe, Inc. a Delaware corporation (“Assignor” or the “Company”), executed a General Assignment for the Benefit of Creditors (the “Assignment”) in favor of RuMe ABC, a series of DSI ABCs, LLC, a Delaware series limited liability company (the “Assignee”) in accordance with the applicable provisions of Delaware law governing General Assignments for the Benefit of Creditors, 10 *Del. C. § 7381 et. seq.* The Verified Petition commencing the proceeding was filed with the Court of Chancery for the State of Delaware (the “Court”) on October 26, 2020. A copy of the Verified Petition, the Court’s Order dated November 4, 2020, accepting jurisdiction over the Verified Petition, and the Assignment are attached for your information.

RuMe, short for ReUseMe, designed consumer products that focused on “the growing needs of environmentally conscious consumers who don’t want to sacrifice style and functionality for sustainability” and that were “designed to make life a little easier, eco-friendly solutions to help you care about what you carry, and bright, fun patterns to bring color and cheer to your day.”¹ The Company sold directly to consumers through its website, as well as to third-party customers and distribution channels such as Shutterfly. The Company’s October 30, 2020, balance sheet, a copy of which is provided with this Notice, reflected approximately \$2 million in assets and liabilities of \$6.9 million. The Company experienced significant losses in 2019 and through October 2020.

Prior to the Assignment, the Company established a credit facility with MVC Capital, Inc. (“MVC”) which included (i) a Second Amended and Restated Subordinated Promissory Note dated August 8, 2018, and amended April 26, 2019, (ii) a Third Amended and Restated Promissory Note dated October 18, 2019, (iii) a Subordinated Revolving Promissory Note dated August 29, 2019, and amended February 24, 2020 and August 19, 2020, and (iv) a Commercial Security Agreement dated October 7, 2016 (collectively, as amended from time to time, the “Loan and Security Agreements”). MVC asserts, and the Company has advised, Assignee that under the Loan and Security Agreements, as of October 25, 2020, the Company is indebted to MVC in the principal and accrued interest amount of \$7,447,892, plus accrued and accruing attorneys’ fees, if

¹ From the Company’s website

CHICAGO

November 9, 2020

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any, incurred by MVC and payable by Assignor pursuant to the Loan and Security Agreements. The Assignee is presently investigating the extent, validity and priority of the secured creditors. The Assignee has retained the firm Duane Morris LLP to serve as its counsel, and other professionals may be retained as necessary. Duane Morris' contact information is:

Duane Morris LLP
Attention: Chris Winter, Esq.
222 Delaware Avenue, Suite 1600
Wilmington, DE 19801-1659
Office: (302) 657-4904
Email: CMWinter@duanemorris.com

The Company retained the investment banker services of Consensus Advisers earlier this year to assist with the efforts to locate strategic buyers for the Company's assets or its business. The Assignee has been in discussion with Consensus as to offers it generated. Negotiations for the sale of the Company's inventory, equipment and intellectual property are currently being held by the Assignee and Consensus with a party not affiliated with the Company. The parties expect to reach a final agreement on a sale price and assets to be purchased. Additionally, and as part of the Assignee's responsibilities under Delaware law, the Assignee has retained HyperAMS and Onyx Asset Advisors to conduct appraisals of the inventory and equipment. Those appraisals will be filed with the court and will be available upon request of the Assignee, its counsel or through the Assignee's website, <https://www.dsiassignments.biz/Cases/128>.

Attached to this notice is the Proof of Claim form for each of the respective cases that must be completed and returned to the Assignee, at its Chicago, Illinois, offices at the following address:

RuMe ABC,
a series of DSI ABCs, LLC,
a Delaware series limited liability company
10 South LaSalle Street, Suite 3300
Chicago, IL 60603

You must (1) fully complete the claim form, (2) attach any documents supporting your claim to the form and (3) return the form and supporting documents so they are received by the Assignee no later than February 5, 2021. Creditors who fail to file their Affidavit of Claim by February 5, 2021, may not be entitled to share in any distribution on account of unsecured claims arising out of the liquidation of the Company's assets to the extent there are any assets not subject to MVC's secured lien. The filing of a claim does not guaranty that there will in fact be a recovery for unsecured creditors. Also attached please find the most recent statement of assets and liabilities of the Company. This statement has not been reviewed or audited by the Assignee and is based on the preliminary, unaudited books and records of the Company.

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Please feel free to contact Matthew P. Sorenson (msorenson@DSIConsulting.com), Steven L. Victor (svictor@dsiconsulting.com), or David J. Young (dyoung@dsiconsulting.com) by e-mail if you have any questions regarding the Assignment. A dedicated voicemail box has been established for this matter. Creditors seeking information on the Assignment can call (312) 263-4141 ext. 3844.

Very truly yours,



Steven L. Victor

Authorized Representative

RuMe ABC, a series of DSI ABCs, LLC,

a Delaware series limited liability company

Solely in Its Capacity as Assignee for the Benefit of Creditors of

RuMe, Inc., a Delaware corporation

10 South LaSalle Street, Suite 3300

Chicago, IL 60603

(312) 263-4141 (office)

RuMe ABC

a series of DSI ABCs, LLC,

a Delaware series limited liability company

RuMe, Inc.
Balance Sheet
As of Oct 26, 2020

ASSETS

Current Assets	
Total Bank	\$ (3,301.11)
Accounts Receivable	
1100 - Accounts Receivable	
1199 - Allowance for Doubtful Accounts	
Total Accounts Receivable	\$ 130,429.09
1200 - Inventory	
Total - 1200 - Inventory	\$ 685,254.95
1300 - Other Current Assets	
Total Current Assets	\$ 985,093.66
Fixed Assets	
1400 - Fixed Assets	
Total - 1400 - Fixed Assets	\$ 768,771.87
1490 - Accumulated Depreciation	
Total - 1490 - Accumulated Depreciation	\$ (521,684.43)
Total Fixed Assets	
Other Assets	
Total - 1690 - Accumulated Amortization	\$ (434,435.50)
Total Other Assets	\$ 865,763.87
Total ASSETS	\$ 2,910,327.90

LIABILITIES & EQUITY

Current Liabilities	
Total Accounts Payable	\$ 497,006.06
Total Credit Card	
Other Current Liability	\$ 20,024.82
Total - 2400 - Other Current Liabilities	
2420 - Accrued Payroll Expense	\$ 291,901.48
2430 - Payments Received in Advance	\$ 86,697.85
2500 - Current Portion of Debt	\$ 69,559.47
Total - 2520 - Note Payable - MVC	\$ 7,397,225.19
Total - 2500 - Current Portion of Debt	
Total Other Current Liability	\$ 965,189.68
Total Current Liabilities	\$ 7,397,225.19
Long Term Liabilities	
Total Long Term Liabilities	\$ 6,917,336.22
Equity	
3100 - Preferred Stock at Par	
3110 - Series A	\$ 50,028.00
3120 - Series B	\$ 25,009.00
3130 - Series B-1	\$ 49,991.00
3140 - Series C	\$ 238,966.00
Total - 3100 - Preferred Stock at Par	\$ 363,994.00
3200 - Common Stock at Par	\$ 59,099.99
3300 - Additional Paid-in Capital	
3310 - APIC	\$ 5,465,197.89
3320 - Stock Based Compensation	\$ 63,262.28
3330 - Dividends- Non Cash	\$ (2,585,351.65)
3340 - Warrants	\$ 870,221.00
Total - 3300 - Additional Paid-in Capital	\$ 3,813,329.52
3400 - Retained Earnings	
3499 - Opening Balance of Equity	\$ (181,957.00)
Total - 3400 - Retained Earnings	\$ (181,957.00)
Total - 3000 - Stockholders Equity	\$ 4,054,466.51
Total - Equity	\$ 4,054,466.51
Net Income	\$ (2,070,986.68)
Total Equity	\$ (13,181,806.12)
Total LIABILITIES & EQUITY	\$ 2,097,944.97

IN THE COURT OF CHANCERY FOR THE STATE OF DELAWARE

In re:

RUME, INC., a Delaware corporation,

Assignor,

To:

RUME ABC, a series of DSI ABCs, LLC, a Delaware series limited liability company,

Assignee.

C.A. No. 2020-0917-PAF

The undersigned creditor of the above-captioned Assignor hereby asserts its claim in the assignment for the benefit of creditors of Assignor created upon the execution and acceptance of the general assignment for the benefit of creditors in favor of RuMe ABC, LLC, a series of DSI ABCs, LLC, a Delaware series limited liability company, as Assignee, as of October 26, 2020 in the amount as set forth below, and substantiated by the attached invoices, statement of account and/or other relevant documentation.

Date Submitted: _____ Amount of Claim: \$ _____

Basis for Claim: Goods Sold Taxes Wages Gift Card
 Money Loaned Other (describe): _____

Name of Creditor: _____

Address: _____

City/State/ZIP: _____

Telephone: () _____ Fax: () _____

Email: _____

By: _____

Title: _____

Completed Proof of Claim must be received on or before
February 5, 2021 at 5:00 P.M. Eastern Prevailing Time by:

RuMe ABC,
a series of DSI ABCs, LLC,
a Delaware series limited liability company
10 S. LaSalle Street, Suite 3300
Chicago, IL 60603

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.