



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

**ASSIGNEE’S (I) PETITION FOR APPROVAL OF FINAL ACCOUNTING
AND (II) MOTION FOR DISCHARGE OF ASSIGNEE, DISCHARGE AND
TERMINATION OF BOND, AND ORDER CLOSING CASE**

Assignee RuMe ABC (“Assignee”), a series of DSI ABCs LLC, a Delaware series limited liability company, in its sole and limited capacity as the assignee for the benefit of creditors of RuMe, Inc. (“Assignor”) under a General Assignment for the Benefit of Creditors dated October 26, 2020 (the “Assignment Agreement”), respectfully (i) petitions this Court for approval of final accounting pursuant to 10 *Del. C. § 7383*, and (ii) moves for entry of an order discharging Assignee, discharging and terminating bond, and closing this case (together, this “Closing Motion”). In support of this Closing Motion, Assignee states as follows:

Jurisdiction

1. This Court has jurisdiction to consider the instant Closing Motion pursuant to 10 *Del. C.* §§ 7381 to 7387.

Procedural Background

2. On October 26, 2020 (the “Petition Date”), Assignee commenced this proceeding by filing a *Verified Petition for Assignment for the Benefit of Creditors* (the “Petition”). See Petition (Trans. ID 66055742).

3. Prior to the Assignment, Assignor was indebted to MVC Capital Inc. (“MVC” or “Secured Creditor”) in an amount not less than \$7,447,892 (the “MVC Indebtedness”). The MVC Indebtedness is secured by a first priority security interest (the “Asserted Liens”) in substantially all of Assignor’s assets. Assignee has confirmed that MVC is Assignor’s sole first priority secured creditor and is owed substantially more than the value of the assigned assets. To date, Assignee has not received any notice, objection, or claim asserting a secured interest with respect to the Assignment assets other than MVC’s secured claim.

4. On November 4, 2020, this Court entered an *Order* (the “Jurisdiction Order”), asserting jurisdiction over the Petition pursuant to 10 *Del. C.* §§ 7381 *et seq.* See Order (Trans. ID 66059576). On November 9, 2020, Assignee served upon Assignor’s known creditors a copy of the Petition, the Jurisdiction Order, and notice that the deadline to serve claims on Assignee is February 5, 2021 (the “Claims”).

Notice”). A copy of the Claims Notice, together with the list of creditors receiving the Claims Notice, was filed with this Court on November 9, 2020. *See* Affidavit of Mailing (Trans. ID. 66094847).

5. The Claims Notice alerted creditors that the deadline to file a claim against the assignment estate was February 5, 2021 (the “Claims Bar Date”). The Claims Notice further advised that 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 Assignor’s assets. Finally, the Claims Notice cautioned that the filing of a claim does not guaranty that there will in fact be a recovery for unsecured creditors.

6. On November 19, 2020, Assignee filed its *Affidavit of Inventory Pursuant to 10 Del. C. § 7381* (the “Inventory”). *See* Inventory (Trans. ID 66127233).

7. On November 20, 2020, Assignee filed a *Motion for an Order (I) Appointing Appraisers Pursuant to 10 Del. C. § 7382 and (II) Establishing Bond Amount Pursuant to 10 Del. C. § 7383* (the “Bond Motion”). *See* Bond Motion (Trans. ID 66129838).

8. By the Bond Motion, Assignee sought Court approval to retain two (2) disinterested appraisers to determine the value of the assignment estate and for the Court to establish the amount of bond to be given by Assignee in accordance with

10 *Del. C.* § 7383. In addition, by the Bond Motion, Assignee advised this Court that Assignee has been negotiating the arm's length sale of substantially all of Assignor's assets, including certain intellectual property, with a disinterested third party (generally, the "Sale"). *See* Bond Motion at ¶ 17 and Exhibit F (Affidavit of William D. Busko II) at ¶¶ 6-7.

9. On December 2, 2020, the Court entered an *Order* granting the Bond Motion (the "Original Bond Order"). *See* Original Bond Order (Trans ID. 66129838). On the same date, Assignee obtained a bond in the unsecured amount of \$1 million (the "Bond").¹ A copy of the bond was filed with this Court on December 22, 2021. *See* Notice of Assignee's Bond (Trans. ID. 66206740).

10. Assignee did not receive any objections to the Sale, including from this Court. Accordingly, Assignee and Buyer closed the Sale on December 17, 2020. Assignee advised this Court on December 22, 2020 as to the closing of Sale. *See* Status Letter dated Dec. 22, 2020 (Trans. ID 66206815).

¹ Amongst other relief, the Bond Order directed Assignee to obtain a bond pursuant to 10 *Del. C.* § 7383 in the amount of \$1 million and that \$510,000 of the bond be secured. On January 6, 2021, this Court entered a further *Order* modifying the Original Bond Order to require only that the bond be in the amount of \$1 million on an unsecured basis. *See* Order dated Jan. 6, 2021 (Trans. ID 66229229).

11. Assignee received 12 unsecured claims as of the Claims Bar Date in the aggregate amount of \$2,112,142.10.² Assignee did not receive any secured claims other than the MVC Indebtedness. As of the date hereof, the total amount of the MVC Indebtedness is at least \$8,159,637.98.

12. Pursuant to 10 *Del. C.* § 7385, Assignee submits its final accounting for the assignment estate, a copy of which is attached hereto as **Exhibit A** (the “Final Accounting”). As set forth on the final accounting, the only remaining asset of the assignment is cash in the amount of \$591,289.91 (“Distribution Assets”). The Distribution Assets are the proceeds of the Sale and MVC’s collateral. The MVC Indebtedness far exceeds the Distribution Assets. Accordingly, MVC is entitled to receive the Distribution Assets .

13. Assignor has filed all final tax returns for the year ending 2020 and there are no known outstanding tax issues.

² Assignee received a levy from the Colorado Department of Revenue on the wages of a former employee. That levy was not a claim against the assignment estate. In addition, prior to the assignment, the Assignor received an unsecured loan under the federal Paycheck Protection Program (“PPP”) from CIBC as the lender for the Small Business Administration (“SBA”). To the extent that loan is forgiven under the PPP, CIBC or SBA may have a claim against the assignment estate for a portion of the forgiven loan, but that amount is unknown as of the date hereof. Further, any priority that loan may have is not greater than that of MVC as the only secured creditor.

Requested Relief

14. Assignee has completed all the functions necessary to close this proceeding and warrant Assignee's discharge. Similarly, Assignee submits that the Bond may be discharged and terminated. As reflected in the *Affidavit of Steven L. Victor* filed herewith as **Exhibit B** (the "Victor Affidavit"), Assignee will upon approval of this Closing Motion (i) distribute the Distribution Assets to MVC and (ii) have fully administered its duties as Assignee of the assignment estate.

15. With respect to the Bond, section 7383 requires Assignee to give a bond when the inventory and appraisal required by 10 *Del. C.* § 7382 have been filed. As described above, Assignee filed the Bond Motion and obtained entry of the Original Bond Order. Assignee hereby seeks authority to release the Bond as all assets have been distributed and the assignment estate has been fully administered. Assignee has "faithfully executed the trust" in accordance with the intent underlying the requirement of posting the Bond under 10 *Del. C.* § 7383. As such, Assignee respectfully submits that it is appropriate for the Bond to be released in its entirety.

16. Finally, Assignee respectfully requests that the Court order that notice of this Closing Motion and final accounting be served only on the Secured Creditor and any party that made an appearance in this matter or filed a proof of claim with the Assignee. Service on all potentially interested parties, who previously received the notice of the Petition and who will receive no funds due to the amount of the

secured debt, would be unduly burdensome and would serve no purpose under these circumstances.

WHEREFORE, Assignee respectfully requests that the Court enter an order, substantially in the form attached hereto: (i) discharging Assignee from any further obligations related to the Assignment and to this case, (ii) discharging and terminating the Bond, (iii) closing this case, and (iv) granting such other relief as the Court deems just and proper.

Dated: July 28, 2021
Wilmington, Delaware

DUANE MORRIS LLP

/s/ Jarret P. Hitchings

Michael R. Lastowski (DE 3892)
Christopher M. Winter (DE 4163)
Jarret P. Hitchings (DE 5564)
1201 N. Market St., Suite 501
Wilmington, DE 19801-1659
Telephone: (302) 657-4900
Facsimile: (302) 657-4901
MLastowski@duanemorris.com
CMWinter@duanemorris.com
JPHitchings@duanemorris.com

*Counsel to RuMe ABC, solely in its
capacity as Assignee for the Benefit of
Creditors of RuMe, Inc.*

Words: 1,380



EXHIBIT A

Final Accounting

Rume ABC, Series LLC
Final Accounting
Cash Receipts and Disbursements
July 21, 2021

Receipts

Opening cash Balance	\$	262,597.60
Accounts Recievable	\$	324,610.17
Sale of Inventory	\$	206,442.37
Sale of IP	\$	510,000.00
Miscellaenous Refunds	\$	2,690.23
Total Receipts	\$	1,306,340.37

Disbursements

Bank Fees	\$	350.66
Bond	\$	3,500.00
Storage	\$	3,670.56
Computer Services	\$	21,503.50
Customer Refunds	\$	3,550.99
Marketing Expense	\$	14,271.06
Shipping Expense	\$	86,695.06
Rent Expense	\$	39,109.13
Insurance	\$	-
Tax and municipal expense	\$	1,495.66
Tax Return Preparation	\$	11,000.00
Indpendent Contractor	\$	81,167.50
Appraisals	\$	18,500.00
Investment Banker Fees	\$	165,160.23
Assignee Fees and Expenses	\$	115,046.14
Assignee Counsel Fees and Expenses	\$	114,666.74
IP cousnel	\$	963.00
Miscellaneous Office Expenses	\$	14,400.23
Total Expenses	\$	695,050.46

Cash On Hand 7/21/21 \$ 611,289.91

Reserve for final expenses \$ 20,000.00

Available for Distribution to Secured Lender \$ 591,289.91



EXHIBIT B

Victor Affidavit

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

AFFIDAVIT OF STEVEN L. VICTOR

STATE OF ILLINOIS

)

) ss:

COUNTY OF COOK

)

I, Steven L. Victor, do hereby depose and state:

1. I am a Senior Managing Director of Development Specialists, Inc., the sole and managing member of DSI ABCs, LLC, a Delaware series limited liability company and the series parent of RuMe ABC (“Assignee”), appointed assignee for the benefit of creditors of RuMe, Inc. (“Assignor”).

2. I submit this affidavit in support of *Assignee's (I) Petition for Approval of Final Accounting and (II) Motion for Discharge of Assignee, Discharge and Termination of Bond, and Order Closing Case* (the "Closing Motion").¹

3. Prior to the Assignment, Assignor was indebted to MVC Capital Inc. ("MVC" or "Secured Creditor") in an amount not less than \$7,447,892 (the "MVC Indebtedness"). The MVC Indebtedness is secured by a first priority security interest (the "Asserted Liens") in substantially all of Assignor's assets. Assignee has confirmed that MVC is Assignor's sole first priority secured creditor and is owed substantially more than the value of the assigned assets. To date, Assignee has not received any notice, objection, or claim asserting a secured interest with respect to the Assignment assets other than MVC's secured claim.

4. On November 9, 2020, Assignee served upon Assignor's known creditors notice that the deadline to serve claims on Assignee is February 5, 2021 (the "Claims Notice"). A copy of the Claims Notice, together with the list of creditors receiving the Claims Notice, was filed with this Court on November 9, 2020.

¹ Capitalized terms not otherwise defined herein are intended to have the meaning set forth in the Closing Motion.

5. The Claims Notice alerted creditors that the deadline to file a claim against the assignment estate was February 5, 2021 (the “Claims Bar Date”). The Claims Notice further advised that 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 Assignor’s assets. Finally, the Claims Notice cautioned that the filing of a claim does not guaranty that there will in fact be a recovery for unsecured creditors.

6. Assignee received 12 unsecured claims as of the Claims Bar Date in the aggregate amount of \$2,112,142.10.² Assignee did not receive any secured claims other than the MVC Indebtedness. As of the date hereof, the total amount of the MVC Indebtedness is at least \$8,159,637.98.

7. A copy of Assignee’s Final Accounting for the assignment estate is attached to the Closing Motion as Exhibit A. As set forth on the Final Accounting, the only remaining asset of the assignment is cash in the amount of \$591,289.01

² Assignee received a levy from the Colorado Department of Revenue on the wages of a former employee. That levy was not a claim against the assignment estate. In addition, prior to the assignment, the Assignor received an unsecured loan under the federal Paycheck Protection Program (“PPP”) from CIBC as the lender for the Small Business Administration (“SBA”). To the extent that loan is forgiven under the PPP, CIBC or SBA may have a claim against the assignment estate for a portion of the forgiven loan, but that amount is unknown as of the date hereof. Further, any priority that loan may have is not greater than that of MVC as the only secured creditor.

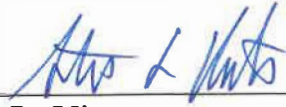
(“Distribution Assets”). The Distribution Assets are the proceeds of the Sale and MVC’s collateral. The MVC Indebtedness far exceeds the Distribution Assets.

8. Assignor has filed all final tax returns for the year ending 2020 and there are no known outstanding tax issues.

9. Assignee has completed all the functions necessary to close this proceeding and warrant Assignee’s discharge. By the Closing Motion, Assignee seeks authority that the Bond may be discharged and terminated. In addition, upon approval of the Closing Motion, Assignee will distribute the Distribution Assets to MVC. At that time, Assignee will have fully administered its duties as Assignee of the assignment estate.

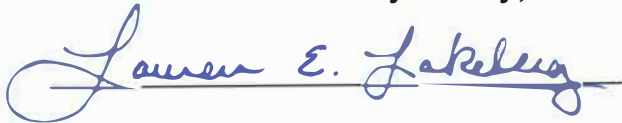
10. Assignee intends to provide notice of the Closing Motion and Final Accounting only on the Secured Creditor and any party that made an appearance in this matter or filed a proof of claim with the Assignee. Service on all potentially interested parties, who previously received the notice of the Petition and who will receive no funds due to the amount of the secured debt, would be unduly burdensome and would serve no purpose under these circumstances.

I declare under penalty of perjury under the laws of the United States of America and under the laws of the State of Delaware that the foregoing is true and correct.



Steven L. Victor

SWORN TO AND SUBSCRIBED
Before me this 28th day of July, 2021



State of Illinois, County of Cook
My commission expires June 20, 2025





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

**[PROPOSED] ORDER GRANTING ASSIGNEE’S
(I) PETITION FOR APPROVAL OF FINAL ACCOUNTING AND
(II) MOTION FOR DISCHARGE OF ASSIGNEE, DISCHARGE AND
TERMINATION OF BOND, AND ORDER CLOSING CASE**

Upon consideration of *Assignee’s Petition for Approval of Final Accounting and (ii) Motion for Discharge of Assignee, Discharge and Termination of Bond, and Order Closing Case* (together, the “Closing Motion”)¹ and the Court having jurisdiction thereof pursuant to 10 Del. C. §§ 7381 *et seq.*, being advised of the grounds for the Motion, and finding good cause therefor,

IT IS HEREBY ORDERED that:

1. The Closing Motion is GRANTED.

¹ Capitalized terms not otherwise defined herein are intended to have the meaning set forth in the Closing Motion.

2. The above-captioned action is hereby closed.
3. Service of this Order shall be made on the Secured Creditor, all parties that filed a proof of claim with Assignee, and on any party who made an appearance in this matter.

SO ORDERED this ____ day of _____, 2021.

Vice Chancellor Paul A. Fioravanti, Jr.