



Development Specialists, Inc.

Advisory and Fiduciary Services • Corporate Restructuring and Workouts • Interim Management • Insolvency Services

June 17, 2016

e-mail address: msorenson@dsi.biz

TO THE CREDITORS AND SHAREHOLDERS OF

ROGER GARMENTS, LLC
1514 & 1524 GAGE ROAD
MONTEBELLO, CA. 90640

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

Please be advised that Roger Garments, LLC. (the “Company”) executed a general assignment for the benefit of creditors in favor of Development Specialists, Inc. (the “Assignee”) on Friday, May 27, 2016. This action was taken and approved by the Board of Managers of RG Holdings II, LLC, acting as managing member of behalf of Roger Garments Holdings, LLC, which, in turn, is the sole member of the Company and accepted by the Assignee, after efforts to locate a strategic buyer failed and the Company determined that the assignment and wind-down of operations would be in the best interest of the Company, its creditors and member. The Company ceased production and terminated all employees on May 25, 2016.

The Assignee has retained Peter Gilhuly and Kim Posin with the law firm of Latham & Watkins LLP to serve as its counsel in this assignment estate. The Assignee will oversee the liquidation of the Company’s assets and the distribution of those assets to the Company’s creditors based on such creditor’s relative priorities.

The Company’s secured lender is Pacific Western Bank, as successor in interest to Square 1 Bank (the “Bank”) which claims to have a security interest on all assets of the Company. The Company currently has \$3.05 million outstanding on the lending line of credit with the Bank. The Assignee and counsel will review and verify the Bank’s security documents to confirm the validity of the asserted liens against the Company’s assets. The Bank has asserted and confirmed it is owed roughly \$3.05 million, which will have priority to the proceeds of the liquidation of the Company’s assets over the unsecured creditor claims against the Company.

The Assignee has been in discussions with several potential buyers and has hired GA Global Partners to assist with the auction and sale of remaining inventory and fixtures, furniture and equipment. Any party interested in purchasing the assets of the Company is urged to contact the Assignee or counsel for further information.

For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However, California law controls rather than Federal bankruptcy law. Experience has proven that in circumstances such as those in this

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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 secured indebtedness that there will be any recoveries for general unsecured creditors at this time. Creditors should note that California law provides for an assignee to recover preferential transfers made by the Company within the ninety days immediately prior to the making of the general assignment. No review of the transactions that may qualify as recoverable under California law has been undertaken yet.

Attached hereto is a form Proof of Claim by which creditors can file their claims with the Assignee. If you have received this letter you may be a vendor of the Company or otherwise a potential creditor. Please note that pursuant to California law (*see* Code of Civil Procedure §1802), the last day to file proofs of claim in this estate is **November 23, 2016** (the “Claims Bar Date”). Creditors who fail to file their proofs of claim by the Claims Bar Date will not be entitled to share in any distribution arising out of the liquidation of the Company’s assets should there in fact be any funds available for distribution to unsecured creditors, and shall be deemed to have waived any and all claims that they have or may have against the Company, including any claims that may arise after the Claims Bar Date that relate to an earlier period. The Assignee will accept proofs of claim via facsimile, e-mail, or thru our website so long as they are received by the Claims Bar Date, November 23, 2016, and the original signed proof of claim is received by the Assignee within ten (10) days thereafter. Claims will not be deemed to be valid unless they include copies of your supporting invoices or statements; please attach all such supporting documentation with each filed claim. The fact that the Assignee is accepting *proofs of claim* is not a guaranty that there will be any recovery by unsecured creditors from the liquidation of the assets of the Company.

Information regarding the general assignment may also be found at www.dsiassignments.com. After returning the completed and executed Proof of Claim, together with all necessary supporting documentation, creditors are requested to advance their files approximately sixty days, pending our next report.

Very truly yours,

Development Specialists, Inc., solely in its capacity
as Assignee for the Benefit of Creditors of ROGER GARMENTS, LLC.



By

Matthew P. Sorenson

Enclosures: (Proof of Claim Form)



PROOF OF CLAIM

In the Matter of:

**ROGER GARMENTS, LLC
1514 & 1524 GAGE ROAD
MONTEBELLO, CA. 90640**

The undersigned creditor of Roger Garments, LLC hereby submits its claim in the general assignment estate created upon the execution and acceptance of the general assignment in favor of Development Specialists, Inc. as of May 27, 2016 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: _____

By: _____
Title

Address: _____

City, State & Zip: _____

() _____ () _____
Telephone Facsimile

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 debtor providing for the payment of interest.

*Return completed form to Development Specialists, Inc.
333 South Grand Avenue, Suite 4070, Los Angeles, CA 90071
(213) 617-2717/FAX (213) 617-2718*