



## Development Specialists, Inc.

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

December 20, 2016

*e-mail address: msorenson@dsi.biz*

**FINAL COMMUNICATION  
CASE NOW CLOSED**

TO THE CREDITORS AND SHAREHOLDERS OF

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

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

In the Assignee's last report, we advised that the Assignee completed its review of transactions within the ninety day period immediately preceding the making of the general assignment. Some vendors received payments that were believed to be potentially recoverable under state law and we initiated action to recover those payments. While the Assignee continues to finalize all avoidance actions with affected vendors it has been determined that the highest possible recovery will not result in enough cash to pay off the secured lender or any priority unsecured claims, and there are no other assets to be liquidated.

Also as previously discussed the Assignee was successful in collecting 100% of all outstanding accounts receivable less vendor offsets and allowed chargebacks. We have also completed the sale of the physical and intangible assets that remained at the time of the general assignment for a total recovery of \$3,035,808.04. The sales were approved by the secured lender Pacific Western Bank, as successor in interest to Square 1 Bank (the "Bank"), which agreed to release its liens on its collateral as part of the sales. The Bank will still have an outstanding balance of over \$750,000 after it receives the final cash distribution from the Assignee.

The bar date established for filing claims with the Assignee was November 23, 2016. Again, in light of the realities of this assignment estate, and as described above, no recoveries will be available for any unsecured creditor claim.

Attached hereto is the assignee's Statement of Receipts and Disbursements, which will provide creditors with a summary of the monies recovered and distributed during this assignment estate. Finally, as there will be no recovery for creditors, the Assignee is closing its files in this matter and creditors are requested to mark their records accordingly.

LOS ANGELES

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ROGER GARMENTS, LLC  
December 20, 2016  
Page 2

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

cc: Kimberly A. Posin, Esq.  
Geoffrey L. Berman

**ROGER GARMENTS, LLC**  
**Receipts & Disbursements**

<b>Beginning Cash Balance</b>	<b>639,152.79</b>
<b><u>Receipts</u></b>	
A/R From Wells Fargo	2,133,427.62
Sale of Assets	184,567.16
Misc. Receipts / Refunds	78,660.47
<b>Total Receipts</b>	<b>3,035,808.04</b>
<b><u>Disbursements</u></b>	
Payroll	(128,305.39)
Employee Severance	(215,805.62)
Rent	(71,063.49)
Operating Expenses	(15,620.71)
Insurance	(12,389.32)
Taxes	(673.85)
Assignee Fee	(170,030.80)
Assignee Expenses	(10,253.84)
Latham & Watkins	(49,359.66)
Record Storage / Other	(196.13)
Secured Lender Payment (Square One Bank)	(2,200,000.00)
<b>Total Disbursements</b>	<b>(2,873,698.81)</b>
<b>Ending Cash Balance*</b>	<b>162,109.23</b>

\* Remaining Cash will be used for final wind down expenses or paid to Secured Lender