



Development Specialists, Inc.

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

July 26, 2018

e-mail: gberman@dsi.biz

TO THE CREDITORS AND INVESTORS OF:

**TETERS FLORAL PRODUCTS, INC.
1425 S. LILLIAN AVENUE
BOLIVAR, MO 65613**

Re: GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS

Please be advised that Teters Floral Products, Inc., a Delaware corporation, hereinafter referred to as the "Assignor" or "Teters," executed a general assignment for the benefit of creditors pursuant to Missouri common law, in favor of DSI Assignments, LLC, solely in its capacity as Assignee for the benefit of creditors (the "Assignee") on Wednesday, July 25, 2018 (the "Assignment"). The Assignment is evidenced by the attached Trust Agreement and Assignment of Assets For The Benefit of Creditors (the "Trust Agreement").

Teters, founded in 1957, designed and manufactured quality botanical, home Décor and gift products for consumers to celebrate their homes and holidays. According to management, Teters Floral Products has had many issues to contend with over the past couple of years including declining sales and profit margins, transitions or changes in the leadership of the company, difficulties with execution of business plans, meeting sales targets and expense budgets, liquidity issues and keeping vendors current.

These events collectively caused a lack of confidence by Teters's secured lenders in management's ability to return the company to profitability. Although supported by secured lenders and mezzanine lenders for some time, Teters' lenders withdrew continued support for ongoing operations. Teters had explored options to sell the company or to refinance the company as part of forbearance agreements with Bank of America, its senior secured lender. However, the lack of profitability, high seasonality of the business operations and severe liquidity issues, made it impossible for Teters to find a take-out lender.

Teters owes Bank of America approximately \$900,000 on its revolving line of credit, which as noted above, is secured by a lien on all of Teters' assets. Bloom Finance Company, LLC also has a lien on all of Teters' assets, to secure more than \$31 million owed by Teters. The Assignee is in the process of verifying the documents related to both lenders' liens.

Teters' Board and a substantial majority of the shareholders approved the execution of the Trust Agreement.

LOS ANGELES

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The Assignee has retained the law firm of Spencer Fane LLP in Kansas City, Missouri to assist the Assignee in the review of the secured lenders' loan documents as noted above, and the process of liquidating Teters's assets. Teters also has two wholly-owned foreign subsidiaries, Teters (Hong Kong) Limited ("THK") and The Creative Connection Limited ("TCC"). Those subsidiaries were being supported by Teters; however in light of the execution of the Trust Agreement, no further monies will be used to support the subsidiaries operations and those subsidiaries will be instructed to begin their own liquidation proceedings under Hong Kong law. The Assignee has retained the law firm of Linklaters LLP in Hong Kong to give it legal advice as to dealing with the subsidiaries' liquidation.

Further, the Assignee has been approached by a company interested in acquiring select inventory, machinery and equipment. The Assignee is working with that interested party on the details of its offer

For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the United States Bankruptcy Code, although Missouri law controls rather than federal bankruptcy law. The Assignee has the rights of a lien creditor, meaning that creditors are left in the position of priority they had at the moment immediately preceding the making of the Assignment. The Assignee will further be responsible for identifying and liquidating any remaining assets of Teters, if any, for the benefit of the assignment estate. This process has been widely used and upheld in both state and federal courts since the early 1900's.

This notice is being sent to all known creditors of Teters, as well as all taxing authorities. Attached hereto creditors will find an Affidavit of Claim form that must be completed and returned to the Assignee no later than October 23, 2018, along with any documentation to support the claimed amount. Creditors who fail to submit their proofs of claim by October 23, 2018 will not be entitled to share in any distribution arising out of the liquidation of Teters' assets. The Assignee will accept proofs of claim via facsimile, e-mail, or thru its website so long as they are received by the claims bar date, October 23, 2018, and the original signed proof of claim is received by the Assignee shortly thereafter. Please remember to include copies of your supporting documents of your claim with your proof of claim. The fact that the Assignee is accepting proofs of claim does not guaranty there will be a recovery on unsecured creditor claims.

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Questions regarding Teters' execution of the Trust Agreement can be sent to the undersigned, Steve Victor (svictor@dsi.biz) or William G. Brandt (wgbrandt@dsi.biz) or by telephone to (312) 263-4141. Additional information about the assignment can be found at www.dsiassignments.com/Cases/113.

Very truly yours,

DSI Assignments, LLC, solely in its capacity as
Assignee for the Benefit of Creditors of
Teters Floral Products, Inc. a Delaware corporation



By:

Geoffrey L. Berman

Enclosure: Form Proof of Claim