

October 25, 2018

e-mail: [gberman@dsi.biz](mailto:gberman@dsi.biz)

TO THE CREDITORS AND INVESTORS OF:

**FRESH HEALTHY VENDING, LLC**  
**A California limited liability company**  
**2620 FIANCNIAL COURT, SUITE 100**  
**SAN DIEGO, CA 92117**

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

Please be advised that Fresh Healthy Vending, LLC, a California limited liability company, hereinafter referred to as the "Assignor" or "FHV", executed a general assignment for the benefit of creditors in favor of DSI Assignments, LLC, solely in its capacity as Assignee for the benefit of creditors (the "Assignee") on Friday, September 28, 2018 (the "Assignment"). FHV was a vending machine company specializing in healthy alternatives to traditional vending machine snack foods and beverages, which licensed its brand to independent franchisees to operate machines around the country under franchise agreements. The company also offered opportunities for franchisees to operate "Fresh Micro Markets," unstaffed, fully automated retail health food stores that are placed in corporate break room environments. FHV did not supply the products sold in the vending machines or micro markets.

FHV has a small number of vending machines and other equipment in inventory that had not been supplied to franchisees, and there are approximately fifty-one franchisees that remain under contract per their respective franchise agreements. Our office, in our capacity as Assignee for the benefit of creditors, will work to monetize these assets in the coming weeks and months. The Assignee has retained the law firm of Sullivan Hill Rez & Engel APLC to serve as its counsel in this assignment estate and who will assist with issues related to the liquidation process and the distribution of those assets to the creditors based on such creditor's relative priorities, including the validity of any liens asserted on the Assignor's assets as noted above. After all administrative and/or priority claims are satisfied, any remaining funds will be applied pro rata to valid and timely-submitted unsecured claims as directed below.

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 instance, estates administered through general assignments typically return to creditors a greater recovery on the assets of the estate quicker and more economically than the bankruptcy process.

**LOS ANGELES**

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Creditors should note that California law provides for an assignee to recover preferential transfers made by the Assignor 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.

Also attached hereto creditors will find a form Proof of Claim by which creditors can submit their claims to the Assignee. Please note that pursuant to California law (*see* Code of Civil Procedure §1802), the last day for creditors to submit proofs of claims against the assignment estate is February 28, 2019. Creditors who fail to submit their proofs of claim by February 28, 2019 will not be entitled to share in any distribution arising out of the liquidation of FHV's 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, February 28, 2019, 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 Assignee (DSI) has established a separate website for creditors to access information about the Assignment for the Benefit of Creditors. The website can be found at [www.dsiassignments.com/Cases/115](http://www.dsiassignments.com/Cases/115).

Very truly yours,

DSI Assignments, LLC, solely in its capacity as Assignee for the  
Benefit of Creditors of Fresh Healthy Vending, LLC, a California  
limited liability company



By:

Geoffrey L. Berman

Enclosure (Proof of Claim form)