

March 8, 2019

[e-mail: msorenson@dsiconsulting.com](mailto:msorenson@dsiconsulting.com)

To the Creditors and Shareholders of:

TURNSTYLE BRANDS, LLC
3512 SE WOODWARD STREET
PORTLAND, OR. 97202

Re: Notice of Commencement of Assignment for the Benefit of Creditors

Dear Sir or Madam:

Please be advised that Turnstyle Brands, LLC, a New York limited liability company (the “Company”), made an assignment for the benefit of creditors pursuant to California law, in favor of DSI Assignments, LLC (the “Assignee”) on February 19, 2019 (the “Assignment”). This action was taken by the directors of the Company and consent of a majority of the shareholders.

The Assignee is informed that the Company was an action sports distribution company focusing on the non-motorized scooter market and accessories. The Company was financed by First American Bank (the “Lender”) who has a secured lien on all of the assets and inventory of the company. The current outstanding principal balance due to the Lender on the line of credit as well as term loan is approximately \$1,790,000. Management was unable to find continued funding for the business to keep operations going. The Assignee is currently in discussions with multiple parties to purchase or help liquidate the Company’s inventory and brand names. The proceeds will be applied against outstanding valid secured claims until that balance is paid in full. Thereafter any remaining funds, if any, will be available to pay unsecured claims in accordance with the priority scheme as set forth under applicable law.

For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However, in this instance, California law rather than federal law (bankruptcy) controls. Experience has proven that in circumstances such as those in this instance, estates administered through general assignments typically return a greater recovery for creditors, and the process is quicker and more economically than a bankruptcy.

The Assignee has retained Lei Lei Wang Ekvall, Esq. of Smiley Wang-Ekvall, LLP, to serve as its counsel. Mrs. Wang Ekvall will review the Lender’s loan and security documents to analyze the Lender’s asserted liens against the Companies’ assets. Counsel will also assist the Assignee as and

LOS ANGELES

333 South Grand Avenue, Suite 4100 • Los Angeles, California 90071-1571 • Telephone: 213.617.2717 • Fax: 213.617.2718 • www.dsi.biz

SAN FRANCISCO • CHICAGO • NEW YORK • MIAMI • LONDON • WILMINGTON • COLUMBUS

where necessary to address issues related to any other creditors' claims, secured or unsecured; any open litigation; as well as the ultimate sale of the assets for the Company.

This notice is being sent to all known creditors of the Company including all taxing authorities and all representatives of creditors. Attached is a Proof of Claim form that must be completed and returned to the Assignee no later than August 1, 2019, along with any documents substantiating the claim. Creditors who fail to file their proofs of claim by that date will not be entitled to share in any distribution arising out of the liquidation of the Company's assets. Additional information regarding this matter can be found on the Assignee's website, www.dsiassignments.com.

Please do not hesitate to contact the undersigned should you have any questions about this matter assignment

Thank you for your consideration and cooperation in this matter.

Very truly yours,

DSI Assignments, LLC,
Solely in its capacity as Assignee for the Benefit of
Creditors of Turnstyle Brands, LLC



By
Matthew P. Sorenson

Enclosure (Proof of Claim)