

August 25, 2016

To All Known Creditors of:

GY Industries, LLC
a Delaware Limited Liability Company

**NOTICE OF ASSIGNMENT FOR
THE BENEFIT OF CREDITORS**

Dear Sir and/or Madam:

On August 2, 2016, at the direction of the Managing Member of GY Industries, LLC (“GY” or the “Company”), GY executed an Assignment for the Benefit of Creditors, and the undersigned accepted the position of Assignee.

BACKGROUND

GY has been a leading producer of flocked black light posters, custom flocking, silk screen printing, foil stamping and printer of greeting cards since May of 2000, when it was incorporated. Prior to that time, a previous entity had operated in a similar manner since 1946, and is where much of the equipment that GY owned came from.

Unfortunately, despite management’s best efforts, the Company has operated at a loss for the last few years. This, coupled with the changing of printing processes and digital technology that has swept through the printing industry, has left GY unable to compete in today’s market. Thus as of August 2nd, the manufacturing facility ceased operations and GY executed an Assignment for the Benefit of Creditors. As a result, all of the remaining assets of the Company will be liquidated.

ASSIGNMENT FOR THE BENEFIT OF CREDITORS

At the time of the Assignment, GY leased the manufacturing facility it occupied in South Holland, Illinois, and has no ownership interest in the real property. The assets of GY consist primarily of \$216,455 of estimated collectable accounts receivable and an unknown amount of personal property, machinery and equipment. Any raw or finished goods inventory that GY did have has been sold to competitors, prior to the Assignment, in an effort to maximize its value. I have reviewed the equipment remaining at the facility and have consulted with an auctioneer who has experience with this type of equipment. It has been determined that there is no value in

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the current market for the machinery and equipment when you take into account the advertising and labor expenses of conducting an auction and the related holding cost expenses for the leased facility. At this time I am consulting with the secured lender as to what it wishes to do with these assets.

Attached herewith, for your review, is a Schedule of Assets and Liabilities of GY as of the date of the Assignment (information used to compile this schedule was taken from the books and records of the Company and is for informational purposes only). Additionally, the Assignee has reviewed lien searches conducted with the Department of State, for Delaware, and Secretary of State of Illinois. It appears from the filings of record and the documents provided by the Company, that there is a properly perfected security interest in all of the assets of GY including the accounts receivable, inventory, machinery and equipment and intellectual property, by BMO Harris Bank.

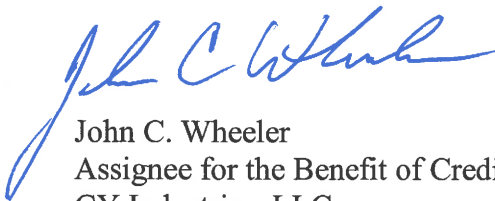
It is the Assignee's intention to collect the outstanding accounts receivable, pay the secured lender in full and make a distribution to the unsecured creditors if possible. Due to the payment terms on some of the accounts receivable invoices, it may take a couple of years before the entire inventory is sold and the funds become due and are collected from the customers.

This notice is being sent to all known creditors of GY including all taxing authorities and all representatives of creditors. Attached is an Affidavit of Claim form that we request be completed and returned to our offices within the next 90 days, along with any documents substantiating your claim in this matter.

Please note that if you have any questions regarding this matter, do not hesitate to contact me at our Chicago office at (312) 263-4141 or send me an email at jwheeler@dsi.biz.

Thank you for your consideration and cooperation in this matter.

Very truly yours,



John C. Wheeler
Assignee for the Benefit of Creditors of
GY Industries, LLC

GY Industries, LLC
Schedule of Assets & Liabilities
as of August 2, 2016

Assets:

Accounts Receivable (Estimated Collectable)	\$216,454.87
Inventory	-
Machinery & Equipment	Undetermined
Misc. Assets (Security Deposit)	<u>10,000.00</u>
Total Assets	<u>\$226,454.87</u>

Liabilities:

Secured Loan BMO Harris	\$96,928.87
Wage Claims	55,597.16
Due Taxing Authorities	Undetermined
Due Unsecured Trade Creditors	191,969.45
Due Landlord	42,448.00
Due US Bank for Copier Lease	85,696.88
Due Unsecured Loans	174,500.00
Shareholder Loans	<u>369,250.75</u>
Total Liabilities	<u>1,016,391.11</u>

Net Worth (Deficit)	<u><u>-\$789,936.24</u></u>
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Notes:

The above information is provided for informational purposes only. All information has been taken from the books and records of GY Industries, is unaudited and neither the Assignor, Assignee, nor DSI represents or warrants that this information is correct or without error. Values stated for Assets are estimated liquidation values. The equipment may have no value, as the cost to remove it from the premises may exceed its sale value.