

February 6, 2017

e-mail: gberman@dsi.biz

To the Creditors and Shareholders of:

Beren Shoes, Inc.  
222 Stockton Street  
San Francisco, CA

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

Dear Sir or Madam:

Please be advised that Beren Shoes, Inc. (the “Company”) made an assignment for the benefit of creditors pursuant to California law, in favor of Development Specialists, Inc. (the “Assignee”) on January 24, 2017 (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 had been originally incorporated in California in 1988 and was a fixture in the retail apparel business in the Union Square area of San Francisco. The Company also operated an e-commerce website. The Assignee is further informed that over the course of 2016 as the retail market became more difficult, the Company tried to reduce its lease exposure, but was unsuccessful and ultimately closed the retail location on November 30, 2016. All inventory was moved to a warehouse located in San Francisco, where it remains as of the making of the general assignment.

The Company had a secured lender which had a lien on all assets. The Company was able to retire that secured claim in advance of making the general assignment. The Assignee has already been approached by a number of parties which have interest in purchasing the remaining inventory at a price well above normal liquidation values. As of the time of this notice, no sale has been finalized.

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, quicker and more economically than the bankruptcy process.

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 July 25, 2017, 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

LOS ANGELES

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regarding this matter can be found on the Assignee's website,  
[www.dsiassignments.com/Berenshoes](http://www.dsiassignments.com/Berenshoes) .

Please do not hesitate to contact the undersigned, or Matthew Sorenson ([msorenson@dsi.biz](mailto:msorenson@dsi.biz)) by e-mail or by telephone at (213) 617-2717 should you have any questions about this matter assignment

Thank you for your consideration and cooperation in this matter.

Very truly yours,

Development Specialists, Inc.  
Solely as Assignee for the Benefit of  
Creditors of Beren Shoes, Inc.



By  
Geoffrey L. Berman

Enclosure (Proof of Claim)