

May 17, 2017

e-mail: gberman@dsi.biz

To the Creditors of:

RNFL Acquisition, LLC.
A Minnesota Limited Liability Company,
dba Michigan Renewable Carbon

RE: GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS
Motion for Sale of Assets

Dear Sir or Madam:

Pursuant to our previous notice, RNFL Acquisition, LLC (RNFL) executed a general assignment for the benefit of creditors (the “Assignment”) in favor of DSI Assignments, LLC, (the “Assignee”) in accordance with the applicable provisions of Delaware law governing General Assignments for the Benefit of Creditors, including 10 *Del. C. §7381 et. seq.* The petition commencing the Assignment was filed with the Chancery Court on September 12, 2016 and the Court granted the petition on September 26, 2016.

Also recall that RNFL owes its senior secured lenders in excess of \$23 million, as well as an additional \$20 plus million owing on New Market Tax Credits; this additional secured debt is subordinate to the senior secured debt of \$23 million. The senior secured debt is owed to MVC Capital, Inc. (“MVC”) a Delaware corporation and Equus Total Return, Inc. both of whom are arm’s length non-insider lenders. These senior loans are secured by all of RNFL’s assets, which include all the plant equipment, parts inventory and other furniture, fixtures and equipment. The loans are also secured by cash and bank accounts, however since operations were terminated in June 2016, RNFL has no cash and the senior secured lenders have been paying all expenses related to preserving the plant and its related assets. RNFL owes its senior secured lenders in excess of \$24 million including the costs to preserve the plant equipment and when combined with the New Market Tax Credit subordinate secured debt, RNFL has over \$44 million in secured borrowings.

The Assignee, through its counsel, the firm of Morris, Nichols, Arsht & Tunnell, LLP, has confirmed that MVC’s claims are properly perfected in the assets subject to the proposed sale and that MVC is entitled to the proceeds from the liquidation.

Since the filing of the general assignment, the Assignee and the secured lenders, through MVC, have attempted to find a buyer for the plant assets. This was after RNFL had hired a global investment banking firm in 2016 to try to find a buyer for the plant without being able to complete a transaction. A buyer for all of the plant assets has now executed an Asset Purchase

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Agreement. The consideration for the plant assets is approximately \$19 million, well below the senior secured debt owed to MVC and Equus.

The Assignee has filed a motion with the Chancery Court seeking approval of this sale. Creditors will find attached to this notice a copy of the Motion. MVC has advised the secured lenders are in support of this sale and willing to release its lien(s) on the plant assets.

Any party wishing to oppose the entry of an order approving the sale as set forth in the Motion must file a response or an objection to the Motion (the “Response”) with the Register in Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 on or before JUNE 1, 2017 (the “Objection Deadline”). At the same time, you must serve such Response upon the counsel for the Assignee so as to be received by the requested Objection Deadline.

Creditors with concerns about the sale are encouraged to discuss any such concerns with the Assignee or its counsel, or file their objections as noted in the immediately preceding paragraph. In this regard, contact Steve Victor (svictor@dsi.biz) or John Wheeler (jwheeler@dsi.biz) by e-mail or telephone at (312) 263-4141, the undersigned (gberman@dsi.biz) or by telephone at (213) 617-2717, or Daniel Butz, Esq. (dbutz@mnat.com) by e-mail or telephone at (302) 351-9348.

Very truly yours,

DSI Assignments, LLC, solely in its capacity as Assignee
for the benefit of creditors of RNFL Acquisition, LLC
dba Michigan Renewable Carbon



By

Geoffrey L. Berman, Senior Managing Director
Development Specialists, Inc., the sole and managing member

Enclosures