

December 18, 2017

e-mail: gberman@dsi.biz
e-mail: msorenson@dsi.biz

To the Creditors and Shareholders of:

CP OPCO, LLC, A DELAWARE LIMITED LIABILITY COMPANY
Dbas Classic Party Rentals
CLASSIC TENTS, LLC, A DELAWARE LIMITED LIABILITY COMPANY
901 Hillcrest
Inglewood, CA 90301

Re: Status Report on the Assignment for the Benefit of Creditors

Dear Sir or Madam:

As you were previously advised, CP OPCO, LLC, a Delaware limited liability company and Classic Tents, LLC, a Delaware limited liability company (the “Companies”) each made an assignment for the benefit of creditors pursuant to California law on July 31, 2017. All of the Companies’ locations were sold prior to the execution of the general assignments. The assets located at the Las Vegas, NV location were delivered to the buyer shortly after the execution of the general assignment. Many of the asset sales were subject to closing price adjustments. Escrows were established for those sales. The escrow associated with the sale to Bright Events, in the approximate amount of \$2.0 million, is now in dispute. The Assignee has sent Bright Events a Notice of Disagreement (the formal requirement to address Bright’s claims for offset to the escrowed monies). The Assignee will continue to pursue the estate’s claim to these funds.

The Companies retained Hilco Global before the general assignment was executed to sell the tenting assets. The sale of those assets was completed over the course of six-to-eight weeks post assignment. The Assignee has vacated the facility that housed the tenting assets in both the Los Angeles area and in Memphis, TN. The Assignee has also now vacated the Inglewood, CA facility that housed the Companies’ offices and returned those premises to the landlord.

The Companies continue to owe a series of secured credit facilities provided by Bank of Montreal, as agent (the “Agent”) for a group of lenders (the “Lenders”), which is secured by all of the Companies’ assets. The outstanding principal amount due the Lenders by the Companies under those credit facilities was approximately \$53,500,000. The asset sales have not significantly reduced this amount due to the accrual of interest and fees owed to the Lenders.

The Assignee has been tendering claims that are potentially covered by insurance to the Companies’ insurers so as to make the insurance available to pay those claims. Any claim that is

LOS ANGELES

333 South Grand Avenue, Suite 4070 • Los Angeles, California 90071-1544 • Telephone: 213.617.2717 • Fax: 213.617.2718 • www.dsi.biz

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

not covered by the Companies' insurance policies (in whole or in part) is a general unsecured claim and would share on a pro-rata basis with other general unsecured creditor claims, *to the extent there are any monies available for such claims*. In light of the Lenders' unpaid secured claims, there are no monies presently available to pay unsecured claims and the Assignee does not anticipate that there will be any monies available to pay unsecured claims in the future.

The Assignee was also made aware of an investigation being undertaken by the U.S. Attorney's office in Atlanta, GA related to a former employee's involvement in embezzling monies from the Companies. The Assignee and its counsel are cooperating with the U.S. Attorney's office in its investigation. The Companies' claims against the employee in question were tendered to the Companies' insurance carrier and have already been resolved.

Attached hereto creditors will find a Statement of Condition as of the time of the general assignment. The information reflects the sale of substantially all of the Companies' assets as noted above and the reduction in the secured debt to the Lenders. Creditors are reminded that the last day to file a proof of claim with the Assignee is January 20, 2018, 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 Companies' assets. Additional information regarding this matter can be found on the Assignee's website, <http://www.dsiassignments.com/cases/104> (CP OPCO, LLC.). Again, the fact that the Assignee is accepting proofs of claim is not a guaranty that unsecured creditors will see any recovery from the liquidation of the remainder of the Companies' assets.

Please do not hesitate to contact the Assignee's office by e-mail or by telephone at (213) 617-2717 should you have any questions about this matter. Thank you for your consideration and cooperation in this matter.

Very truly yours,

Development Assignments, LLC
Solely as Assignee for the Benefit of
Creditors of CP Opco, LLC dba Classic Party Rentals and Classic Tents, LLC.



By
Geoffrey L. Berman
Enclosure (Statement of Condition)

CP OpCo LLC DBA Classic Party Rentals

Consolidated Balance Sheet

July 30, 2017

<u>ASSETS</u>	<u>Jul-17</u>
Current Assets	
Cash	1,106,055
Restricted Cash	1,782,281
Total Cash	2,888,337
Accounts Receivable, net	580,514
Prepaid Expenses and Other	1,125,926
Total Current Assets	4,594,777
Rental Equipment, net	-
Fixed Assets, net	-
Goodwill and Intangible	-
Other Assets	-
Total Assets	4,594,777
<u>LIABILITIES</u>	
Current Liabilities	
Accounts Payable	5,426,276
Accrued Payroll & Related Expenses	175,376
Customer Deposits	1,109,178
Other Accrued Liabilities	6,137,353
Accrued Interest Expense	-
Total Current Liabilities	12,848,183
Revolver Principal	21,300,000
Term Loan	31,000,000
Acquisition Loan	-
Liquidity Loan	-
Preferred Stock PIK Interest Payable	5,171,758
Seller Debt	-
Deferred Purchase Price	-
Other Long Term Liabilities	188,186
Total Liabilites	70,508,127
Net Loss to date	74,677,390
Shareholder Capital	(62,113,350)
Total Liabilites & Shareholder Capital	(207,298,867)