

April 26, 2018

e-mail: gberman@dsi.biz

To the Creditors and Shareholders of:

Beren Shoes, Inc.
San Francisco, CA

Re: Status of the Assignment Estate

Dear Sir or Madam:

The Assignee has spent the better part of the last year addressing an assessment from the California Department of Tax & Fee Administration, formerly known as the Board of Equalization, which assessment was in excess of \$700,000 for what the Department claimed were taxable sales for which taxes were not collected. The Assignee retained the company's former controller to assist in responding to the assessment. We are now able to advise that the Department has withdrawn that assessment in full.

The Assignee was unable to resolve the claims related to improper billing by one of the Company's shippers and suppliers, who was purported to have used the Company's account in error. The total charges paid for by the Company exceed \$100,000. The Assignee filed a complaint earlier this year to move this matter forward. The Assignee has also resolved the issue addressed in our last communication related to the "Due To and Due From" Shareholders on the Company's books. A negotiated resolution of those issues was reached with Arthur Beren and which included an assignment of the Assignee's claims against David Beren. The transactions involving some of the Company's principals immediately before the making of the general assignment were resolved with the return of the \$100,000 payment made within six weeks of the execution of the general assignment.

The Assignee will be finalizing an initial distribution to unsecured creditors in the coming weeks. Please look for that distribution by late May-early June.

Very truly yours,

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



By

Geoffrey L. Berman

LOS ANGELES

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