



March 15, 2018

To All Known Creditors of: U.S. Motor Recycling, Inc.
4027 S. Wells St.
Chicago, IL 60609

RE: Assignment For The Benefit of Creditors

Dear Creditor:

Please be advised that on March 15, 2018, U.S. Motor Recycling, Inc., an Illinois corporation, with its principal place of business located at 4027 S Wells St., Chicago, IL 60609 ("U.S. Motor" or the "Company"), initiated an Assignment for the Benefit of Creditors by delivering a signed Trust Agreement and Assignment for the Benefit of Creditors (the "Assignment") to the Undersigned, not individually, but solely as Assignee. As the designated Trustee/Assignee under the Trust Agreement, I accepted the Trust Agreement as of March 15, 2018, and will act, not individually but solely as Trustee/Assignee (the "Assignee").

The Assignment for the Benefit of Creditors

Pursuant to the Assignment, U.S. Motor conveyed all of its assets to me, not individually but solely as Assignee/Trustee, for the specific purpose of liquidating its assets for the highest and best possible price and distributing the proceeds to its creditors, in accordance with the priorities established under Illinois common law. As Assignee/Trustee, it is my fiduciary responsibility to distribute the proceeds, less the costs of administration, first to creditors holding verified secured claims, second to administrative costs incurred in connection with the Assignment and third to holders of priority tax and wage claims. All remaining funds, if any, will be distributed pro-rata among all general trade and other unsecured creditors of U.S. Motor.

Events Leading to the Assignment

Family owned and operated U.S. Motor Recycling, was started in Chicago in 1948 to clean train motors and other direct current motors. U.S. Motor's operated from two facilities each located four miles from downtown Chicago. The primary facility is a 2-1/4 acre yard with a 15,000 square foot building of warehouse and office space. A second ¾ acre lot near the primary facility is utilized to store containers. The combined properties have four loading docks, a scale and the requisite equipment to process, decontaminate and ship large quantities of material globally. Since the late 1960s U.S. Motors prospered and started purchasing and exporting sealed motor units to Taiwan. As this business developed and grew, U.S. Motor opened collection and loading satellite locations in Minneapolis, MN, New Orleans, LA, Gulfport, MS and Mobile, AL. From Chicago and these additional collection sites, US Motors loaded and shipped between 7,500 and 10,000 tons of material by barge for export to Taiwan through the Port of New Orleans. When Taiwan market slowed in 1999, U.S. Motor in 2000 became the first US company to export and sell electric motors and sealed units to China. In the past few years, U.S. Motor's sales to China slowed significantly and the satellite facilities have all closed. Accordingly, U.S. Motor currently lacks sufficient liquidity to continue operations and, as a result, the sole director and sole shareholder of U.S. Motor determined it to be in the best interests of all creditors to cease operations and preserve its remaining asset base. To facilitate an orderly closure, U.S. Motor, through its sole director and sole shareholder, authorized the execution of the Assignment in accordance with Illinois law.

350 North LaSalle Street
Suite 1100
Chicago IL 60654
Phone 312/645-1975
Fax 312/645-1976
www.rallylc.com

RALLY

CAPITAL SERVICES

Financial information provided to me from U.S. Motor as of the date of the Assignment, March 15, 2018, without audit or verification, indicated the following (all figures are approximate):

<u>Assets</u>		<u>Liabilities</u>	
Cash On Hand	\$ 21,283	Unsecured Debt	\$ 434,807
Accounts Receivable	23,687		
Equipment ¹	<u>50,000</u>		
Total Assets	\$ 94,970	Total Liabilities	\$ 434,807

1. *Forced Liquidation Value*

The Proposed Sale of U.S. Motor Recycling, Inc.

As noted above, I have been appointed as Assignee/Trustee in order to sell or otherwise liquidate the assets of U.S. Motor for the highest and best possible price through an open and transparent public process. As of the date of this letter, I intend to collect current accounts receivable and sell any remaining assets, including inventory, warehouse equipment, rolling stock and office furniture and equipment of U.S. Motor at a public sale utilizing the services of a nationally prominent auctioneer. All creditors will be notified of a public sale through advertisements in the *Chicago Tribune* on dates yet to be determined. If any creditors or third parties are interested in bidding on the remaining subject assets, please contact our offices to arrange for an inspection.

This notice has been sent to all known creditors of Young's, including taxing authorities. **All creditors are requested to immediately execute and return to the Assignee's office the enclosed Affidavit of Claim with any and all supporting documentation reflecting the balance due from the Company as of the Assignment Date, March 15, 2018.**

In the event you require additional information regarding this Assignment, please do not hesitate to contact the Undersigned. Kindly advance your files approximately one hundred twenty (120) days pending our further report.

Thank you for your patience and cooperation.

Sincerely,



Howard B. Samuels, not Individually, but Solely as the Assignee/Trustee of
U.S. Motor Recycling, Inc.

Enclosure

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**COMBINED NOTICE OF ASSIGNMENT
PROOF OF CLAIM AND BAR DATE NOTICE**

**RE: U.S. MOTOR RECYCLING, INC.
4027 S WELLS ST.
CHICAGO, IL 60609**

To: All Known Creditors of U.S. Motor Recycling, Inc.

PLEASE TAKE NOTICE that on March 15, 2018, U.S. Motor Recycling, Inc. entered into a Trust Agreement and Assignment for the Benefit of Creditors with Howard B. Samuels (the "Trustee/Assignee") of Rally Capital Services, LLC, 350 North LaSalle St., Suite 1100, Chicago, IL 60654. An Assignment for the Benefit of Creditors under Illinois law is a non-statutory, non-judicial liquidation of a debtor's assets by an independent third-party for the benefit of creditors.

PLEASE TAKE FURTHER NOTICE that the Trustee/Assignee has fixed June 15, 2018 as the **BAR DATE**, or the last date for the timely submission of unsecured, non-priority claims against U.S. Motor Recycling. Your claim must be received by the Trustee/Assignee on or before the Bar Date for you to participate in any distribution of U.S. Motor Recycling assets, unless the Trustee/Assignee, in his sole discretion, extends the Bar Date.

PLEASE TAKE FURTHER NOTICE that this form, when completed and executed by you and returned to the Trustee/Assignee shall constitute your Proof of Claim. Please attach legible copies of all invoices, statements, contracts or other evidence of your claim to this form when it is returned.

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PROOF OF CLAIM

**RE: U.S. MOTOR RECYCLING, INC.
4027 S WELLS ST.
CHICAGO, IL 60609**

Claim Amount: \$ _____

Company Name: _____

Address: _____

City, State, Zip: _____

Telephone: _____

Fax: _____

E-Mail: _____

By: _____

Print Name & Title: _____

Date: _____

Please complete and return this form to the U.S. Motor Recycling Creditors Trust along with any documentation to substantiate your claim to the Trustee/Assignee so as to be received on or before the Bar Date of June 15, 2018 to the following address or facsimile number:

MAIL TO: Rally Capital Services, LLC **OR** **FAX TO:** Claims Department **OR** **EMAIL TO:** claims@rallyllc.com
 350 North LaSalle Drive (312) 645-1976
 Suite 1100
 Chicago, IL 60654
ATTN: U.S. MOTOR RECYCLING CREDITORS TRUST

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