

ABCs

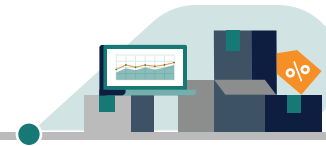
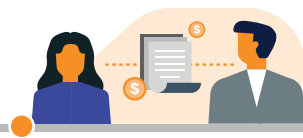
ASSIGNMENTS FOR THE BENEFIT OF CREDITORS

A quicker, cheaper alternative to bankruptcy for companies at the end of their runway.

An assignment for the benefit of creditors (“ABC”) is a nimble, nonjudicial* liquidation process available to an insolvent company that has run out of options. Popular with venture-backed and lower middle market companies, an ABC can facilitate a soft landing and graceful exit. ABCs are a key part of G2's fiduciary services capabilities, along with bankruptcy advisory and out-of-court wind-down management.

Here's how it works: The distressed company transfers ownership of its assets to a third-party fiduciary of the company's choosing—the “Assignee”—who then sells the IP and other assets in an accelerated timeframe (often on a turnkey basis, with operations remaining intact), returns the proceeds to creditors, and manages an orderly wind down of the business.

With little or no court involvement in most states, ABCs are far less expensive than bankruptcy and can be launched immediately.



PRE-ABC:

- G2 helps company assess cash position, business prospects and available solutions
- If board opts for an ABC, G2 develops plan with timeframe and budget
- Lender, board, and shareholders consent

ABC DAY 1:

- Company and Assignee (G2) execute general assignment agreement
- Board and officers resign
- Assignee assumes responsibility for all remaining matters
- Assignee engages key employees to assist

MONTHS 1-6, ASSIGNEE:

- Launches asset sale process
- Liquidates furniture, vacates office
- Collects on customer A/R
- Invites creditors to submit claims
- Handles administrative tasks (taxes, etc.)

AFTER 6 MONTHS, ASSIGNEE:

- Analyzes creditor claims
- Distributes remaining funds
- Stores books and records
- Handles any other issues that arise

THE G2 DIFFERENCE:

- Before an ABC, G2 confers with clients to explore the situation, identify the best options, gauge costs, and develop a plan for success - whether or not an ABC makes sense.
- G2's sell-side investment banking prowess ensures a professional asset sale process that will yield the highest possible sale price for the assets, maximizing recovery for creditors.
- G2's expertise executing ABCs allows stakeholders to walk away from the situation, confident remaining issues will be addressed in a reasonable and fair manner.

Please Direct Inquiries To:



Nate McOmber
Director
San Francisco, CA
415.825.5866
nmcomber@g2cap.com