

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re: : Chapter 11
  
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DIRECTBUY HOLDINGS, INC., *et al.*,<sup>1</sup> : Case No. 16-12435 (CSS)
  
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Debtors. : Jointly Administered
  
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**NOTICE TO MEMBERS OF ASSUMPTION AND ASSIGNMENT OF  
MEMBERSHIP AGREEMENTS**

**You are receiving this notice because you may be a counterparty to a membership agreement with DirectBuy Holdings, Inc. or one or more of its affiliated debtors. Please read this notice carefully as your rights may be affected by the transactions described herein.**

**PLEASE TAKE NOTICE** that the Debtors have entered into a Purchase Agreement with Derby SPV, Inc. (the “Purchaser”) for the sale of substantially all their business assets. The Purchaser is a special purpose entity established for the benefit of all the holders of the Debtors’ prepetition secured notes, who are also the holders of 100% of the equity in the Debtor DirectBuy Holdings, Inc. Your membership agreement with the Debtors may be assumed and assigned to the Purchaser under the Purchase Agreement, or to such other purchaser that may emerge as the successful bidder following any auction. **The Debtors assert that no money (\$0) (the “Cure Amount”) is due to any of their members under the membership agreements.**

**PLEASE TAKE FURTHER NOTICE** that, on December 1, 2016, the Court entered a bidding procedures order with respect to the sale of the Debtors’ business assets (the “Bidding Procedures Order”). **Pursuant to the Bidding Procedures Order, if you disagree with the Cure Amount of zero (\$0), you must file a written objection** with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3<sup>rd</sup> floor, Wilmington, Delaware 19801 on or before **January 10, 2017 at 4:00 p.m. (prevailing Eastern Time)**. Failure to file an objection to the Cure Amounts on time shall be a bar to asserting that a Cure Amount is owed in an amount in excess of the amount, if any, set forth herein, absent order of the Court to the contrary.

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are DirectBuy Holdings, Inc. (3621); United Consumers Club, Incorporated (6335); DirectBuy, Inc. (5059); Beta Finance Company, Inc. (8776); UCC Distribution, Inc. (6010); U.C.C. Trading Corporation (4388); National Management Corporation (8765); UCC of Canada, Inc. (6435). The address of the Debtors’ corporate headquarters is 8450 Broadway, Merrillville, IN 46410.

**PLEASE TAKE FURTHER NOTICE** that the Debtors shall provide the necessary financial information for you to determine that the Qualified Bidder or Purchaser, as applicable, can provide adequate assurance of future performance under Section 365 of the Bankruptcy Code (the “Adequate Assurance Information”) to those members who have (x) submitted a written request (e-mail to Debtors’ counsel is acceptable) for Adequate Assurance Information and (y) confirmed in writing to the Debtors’ counsel (e-mail is acceptable) their agreement to keep such Adequate Assurance Information strictly confidential and use it solely for purposes of evaluating whether a Qualified Bidder or the Purchaser has provided adequate assurance of future performance under your membership agreement. Debtors’ Counsel contact information: Cole Schotz P.C., Court Plaza North, 25 Main Street, Hackensack, New Jersey 07601 (Attn: Ilana Volkov, Esq.), [ivolkov@coleschotz.com](mailto:ivolkov@coleschotz.com), and Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, Delaware 19801 (Attn: Nicholas J. Brannick, Esq.), [nbrannick@coleschotz.com](mailto:nbrannick@coleschotz.com).

**PLEASE TAKE FURTHER NOTICE** that if you have any other objection to the Debtors’ assumption and assignment of your membership agreement (other than to the Cure Amount), including lack of adequate protection of future performance, you may prosecute such objection at the Sale Hearing.

**PLEASE TAKE FURTHER NOTICE** that a hearing (the “Sale Hearing”) to approve the sale and authorize the assumption and assignment of the Assumed Contracts will be held on **January 24, 2017 at 1:00 p.m. (prevailing Eastern Time)**, before the Honorable Christopher S. Sontchi, United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Courtroom 6, Wilmington, Delaware 19801. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing. You may attend the hearing remotely by arranging, in advance, for a telephonic appearance through CourtCall at (888) 88-COURT.

**PLEASE TAKE FURTHER NOTICE** that nothing contained herein shall obligate the Debtors to assume any Assumed Contracts or to pay any Cure Amount.<sup>2</sup>

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<sup>2</sup> Assumed Contracts” are those Contracts and Leases that the Debtors believe may be assumed and assigned as part of the orderly transfer of the Purchased Assets; however, the Purchaser or the Successful Bidder, as may be applicable, may choose to exclude certain of the Debtors’ contracts or leases from the list of Assumed Contracts as part of their Qualifying Bid, causing such contracts and leases not to be assumed by the Debtors.

