

TRUSTEE/ASSIGNEE AUCTION OF THE ASSETS OF  
**M-WAVE INTERNATIONAL, LLC AND M-WAVE MUSIC PRODUCTS, LLC**

**Sale of Property:** On October 23, 2020 at 10:00 a.m. at the offices of Commercial Recovery Associates, LLC, located at 205 West Wacker Drive, Suite 918, Chicago, IL 60606, Robert Handler (the "Trustee/Assignee"), not in his individual capacity but solely as the Trustee/Assignee for the Benefit of Creditors of M-Wave International, LLC ("M-Wave") and M-Wave Music Products, LLC ("Music") (together, the "Companies"), anticipates conducting an auction sale (the "Auction") of the Companies' tangible and intangible assets, consisting primarily of inventory, accounts receivable, property plant and equipment, office furniture and equipment, customer information and marketing materials and brochures ("Sale Assets"), a list of which the Trustee/Assignee will make available to potential bidders.

**Stalking Horse Offer:** The Trustee/Assignee and a prospective purchaser (the "Initial Bidder") have entered into an Asset Purchase Agreement for the Sale Assets (the "APA"), which governs the Initial Bidder's offer to purchase all of the Sale Assets. Pursuant to the terms of the APA, the Initial Bidder has made an offer to purchase the Sale Assets for \$2,920,836, based on the book value of tangible assets as of September 30, 2020, but subject to final adjustment one business day prior to Auction, all as outlined in the APA. The APA shall be subject to any higher and better offers by other bidders (the "Competitive Bids"). Separate bids for the assets of M-Wave or Music can be submitted and will be considered.

**Terms and Conditions of Sale:** Except as expressly set forth in the APA, the Sale Assets will be offered on an "AS IS" "WHERE IS" basis. WITH NO EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, STATEMENTS OR CONDITIONS OF ANY KIND OTHER THAN TITLE. The Companies lease a facility in Glendale Heights, Illinois and are being managed by the Trustee/Assignee as fully operational going concerns with a stable mix of customers.

**Bidding Requirements and Procedures:** All Competitive Bids must satisfy the following requirements on or before **4:00 p.m. CST on October 22, 2020**. Competitive Bids must be submitted in the form provided by the Trustee/Assignee (the "Bidder Form APA") which will be in substantially the same form as the APA. The purchase price for the Sale Assets of any Competitive Bids shall be payable in cash at the closing and shall not be less than \$125,000 more than the price outlined in the APA (the "Overbid"). If Competitive Bids submitted by qualified bidders are timely submitted, bidding will thereafter proceed in minimum bid increments of \$50,000 or such other increments as the Trustee/Assignee shall announce at the Auction. All Competitive Bids must be accompanied by a deposit to be tendered to the Trustee/Assignee of cash or cash equivalent equal to 10% of the Competitive Bid (the "Deposit"), to be held by the Trustee/Assignee and credited against the purchase price if the maker of a Competitive Bid becomes the successful bidder, and to be returned to such bidder within 48 hours of the conclusion of the Auction if such bidder does not become the successful bidder. The balance of the successful bidder's purchase price must be paid by the successful bidder by cashier's or certified check at closing, which is anticipated to occur on October 23, 2020. Alternative overbid and minimum bid increment to be determined for bids seeking only the assets of either M-Wave or Music. If a successful bidder fails to pay the balance of his or her successful bid, the bidder's Deposit will be forfeited, and the Sale Assets may, at the Trustee/Assignee's option, be sold to the next highest bidder. Other than as set forth in a separate agreement between the Trustee/Assignee and the Initial Bidder, the Trustee/Assignee reserves the right to (a) determine which bidders are qualified to participate in the Auction; (b) determine which bid is the highest and best proposal; (c) reject any bid; (d) waive terms and conditions set forth herein with respect to all potential bidders; (e) impose additional terms and conditions with respect to all potential bidders; (f) extend the deadlines set forth herein; (g) adjourn or cancel the Auction without further notice.

**FOR FURTHER INFORMATION CONCERNING THE AUCTION,  
OR TO ARRANGE FOR AN INSPECTION OF THE PROPERTY CONTACT:**

William Factor  
The Law Offices of William J. Factor, Ltd.  
105 West Madison St., Suite 1500  
Chicago, IL 60602  
312-878-6146  
Attorney for the Trustee/Assignee

Robert P. Handler, [rhandler@com-rec.com](mailto:rhandler@com-rec.com),  
not individually, but solely as Trustee/Assignee for  
M-Wave International, LLC and M-Wave Music  
Products, LLC, 312-845-5001  
John Servatius, [jservatius@com-rec.com](mailto:jservatius@com-rec.com),  
Director, (312) 953-6182

Commercial Recovery Associates, LLC  
205 West Wacker Drive, Suite 918  
Chicago, IL 60606  
(312) 845-5001



## SUMMARY FACT SHEET

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### **M-WAVE INTERNATIONAL and M-WAVE MUSIC PRODUCTS** LEADING ELECTRONIC CIRCUIT BOARD CONTRACT ASSEMBLERS



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#### ***Business and Opportunity Description***

M-Wave International, LLC (“M-Wave”) and M-Wave Music Products, LLC (“Music”) (together, the “Companies”) are leading nationwide electronic circuit board assemblers specializing in low-volume, high-mix assemblies for select customers in Fire & Safety, Emergency Back-up, Industrial Smart Lighting, Restaurant Equipment, Music Products and OTC Medical Devices. M-Wave is ISO 9000-2010 certified and FDA-approved for medical device board assemblies. M-Wave sets itself apart in offering pre-production engineering and support services even to its smaller customers. The corporate headquarters are based in a 50,000-sf facility in Glendale Heights, IL.

The Companies strategically began re-shoring product to the USA in 2015, then intensified its efforts with the introduction of new tariffs on Chinese imports beginning in 2018. Re-shoring was accomplished by early 2020 but then the pandemic hit. Even through these changes, M-Wave grew from \$3M in annual sales in 2013 to \$15M in 2019. Today, M-Wave has over approximately 75 employees on one shift assembling product that are 90% sourced domestically. M-Wave plays a major role in the entire supply chain for its customers, relieving them of the frustrations of production management, supplier audits, packaging, logistics, compliance, storage, delivery and warehousing. Now, a significant drop in sales during the pandemic led to the Companies’ decision to undergo an Assignment for the Benefit of Creditors even as it remains a fully operational going concern with a stable customer mix.

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#### ***Transaction Overview***

On October 5, 2020 Robert Handler was appointed Trustee/Assignee of the Companies. Handler will be managing the Companies as a going concern while working to sell the assets of the Companies, combined or separately (the “Auction”). The sale(s) will be free and clear of all liabilities and will take place on or about October 23, 2020 with a closing scheduled immediately thereafter.

No contact with the Companies or its employees is permitted without the expressed written consent of the Trustee/Assignee. All buyer visits will be arranged by the Trustee/Assignee and hosted jointly by a Trustee/Assignee representative and the Companies.

The Trustee/Assignee and a prospective purchaser (the “Initial Bidder”) have entered into an Asset Purchase Agreement for the assets of the Companies (the “APA”), which governs the Initial Bidder’s offer to purchase all of the Companies’ assets (“Sale Assets”). Pursuant to the terms of the APA, the Initial Bidder has made an offer to purchase the Sale Assets for \$2,920,836, based on the book value of tangible assets as of September 30, 2020, but subject to final adjustment as outlined in the APA one business day prior to Auction. The APA shall be subject to any higher and better bid by other bidders (the “Competitive Bids”). Separate bids for the assets of M-Wave or Music can be submitted and will be considered.

Parties interested in pursuing this transaction will be required to submit their bids in the form provided by the Trustee/Assignee, which will be in substantially the same form as the APA. This process is designed to maximize efficiency for both the buyer and the seller. See attached notice of auction for additional details.

*Summary Financial Information (\$000's)*

<b>M-Wave International, LLC (\$000's)</b>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Aug YTD</u>
<b>Net Sales</b>	<b>9,331</b>	<b>9,730</b>	<b>15,299</b>	<b>7,623</b>
Cost of Sales	6,418	6,886	10,486	5,756
<b>Gross Profit</b>	<b>2,913</b>	<b>2,844</b>	<b>4,813</b>	<b>1,867</b>
	Net Book Aug 2020		Liq Value 9-30-20	
Accounts Receivable		577.7		439.0
Inventory		4,442.0		2,200.0
PPE and F&F		303.8		300.0
<b>Total Tangible Assets</b>		<b>5,323.5</b>		<b>2,939.0</b>
<b>M-Wave Music Products, LLC (\$000's)</b>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Aug YTD</u>
<b>Net Sales</b>	<b>1,367</b>	<b>1,475</b>	<b>1,201</b>	<b>675</b>
Cost of Sales	699	621	559	321
<b>Gross Profit</b>	<b>668</b>	<b>854</b>	<b>642</b>	<b>354</b>
	Net Book Aug 2020		Liq Value 9-30-20	
Accounts Receivable		91.1		86.0
Inventory		508.0		250.0
PPE and F&F		68.1		30.0
<b>Total Tangible Assets</b>		<b>667.2</b>		<b>366.0</b>

*Additional Information*

Companies' details are available for your review, pending our receipt of a signed Confidentiality Agreement. To learn more about this opportunity, please contact: **John Servatius**, 312-953-6182, [jservatius@com-rec.com](mailto:jservatius@com-rec.com) or **Robert Handler**, 312-845-5001, [rhandler@com-rec.com](mailto:rhandler@com-rec.com) at Commercial Recovery Associates, LLC.