

**TRUSTEE/ASSIGNEE AUCTION OF THE ASSETS OF  
COMMERCIAL ELECTRONIC SYSTEMS, INC.**

**Sale of Property:** On March 12, 2021 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 Commercial Electronic Systems, Inc. ("CES" or the "Company"), anticipates conducting an auction sale (the "Auction") of some of the Company's tangible and intangible assets, consisting primarily of inventory, equipment and furniture & fixtures, service contracts and monitoring contracts ("the Contracts"), all customer information and Company telephone numbers, website, social media accounts, domain name, and the Company's legal name (collectively, the "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 the Sale Assets. Pursuant to the terms of the APA, the Initial Bidder has made an offer to purchase the Sale Assets for \$600,000. The APA shall be subject to any higher and better offers by other bidders (the "Competitive Bids").

**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 Company leases a facility in Lombard, Illinois and the Contracts and facility are being managed and maintained by the Trustee/Assignee.

**Bidding Requirements and Procedures:** All Competitive Bids must satisfy the following requirements on or before **4:00 p.m. CST on March 11, 2021**. 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 \$75,000 more than the price outlined in the APA (the "Overbid"). If Competitive Bids submitted by qualified bidders are timely submitted, bidding by qualified bidders, including the Initial Bidder, will thereafter proceed in minimum bid increments of \$20,000 or such other increments as the Trustee/Assignee shall announce at the Auction, except that the Initial Bidder can match Competitive Bids. All Competitive Bids must be accompanied by a deposit to be tendered to the Trustee/Assignee of cash or cash equivalent equal to 5% 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 or wire at closing, which is anticipated to occur on March 12, 2021. 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  
wfactor@wfactorlaw.com  
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  
Commercial Electronic Systems, Inc., 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

### **COMMERCIAL ELECTRONIC SYSTEMS, INC.**

INTEGRATED SYSTEMS INSTALLER – FIRE, MONITORING, DATA



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

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Commercial Electronic Systems, Inc. (the “Company”) is an established 45-year low voltage integrated systems solution company providing security, fire, AV, monitoring services, data system installation and service located in Lombard, IL that serves northeastern Illinois and northwestern Indiana. The Company has a long history of protecting businesses, educational and governmental facilities with integrated systems solutions and service contracts and enjoys a very high customer renewal rate.

Presently, the Company is selling its test & inspect and full-service contracts with over 200 customers that have expiration dates in 2021 and beyond and total \$975,000 in billings. In addition, the Company services 280 active subscriber customers with monitoring contracts utilizing EM24 services with annual billings of approximately \$81,000.

Large, unprofitable installation jobs over the past year led to the Company’s decision to undergo an Assignment for the Benefit of Creditors, yet the service and monitoring business continues to be maintained with a stable industry mix of customers.

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

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On March 1, 2021 Robert Handler was appointed Trustee-Assignee of the Company. Handler will be maintaining the Company business while working to sell its assets (the “Auction”). The sale will be free and clear of all liabilities and the Auction will take place on or about March 12, 2021 with a closing scheduled immediately thereafter.

No contact with the Company 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 Company.

The Trustee-Assignee and a prospective purchaser (the “Initial Bidder”) have entered into an Asset Purchase Agreement (the “APA”) for the assets of the Company described herein, namely the service and monitoring contracts, inventory & equipment, along with the Company name, telephone numbers, website, domain name(s), customer lists and related intangibles (the “Sale Assets”) which governs the Initial Bidder’s offer to purchase the Sale Assets. Pursuant to the terms of the APA, the Initial Bidder has made an offer to purchase the Sale Assets for \$600,000. The APA shall be subject to any higher and better bid by other bidders (the “Competitive Bids”).

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.

***Additional Information***

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Company 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.