

NOTICE AND OFFER
PURSUANT TO
NEW YORK BUSINESS CORPORATION LAW SECTION 623

To:
 Alan Ades
 134 Via Palacio
 Palm Beach Gardens, Florida 33418

You are hereby advised as follows:

Notice pursuant to Section 623(b)

This notice is given pursuant to Section 623(b) of the New York Business Corporation Law ("NYBCL") and in acknowledgment of receipt by Van Dale Industries, Inc. (the "Corporation") of the Notice of Election to Dissent of Alan Ades dated August 31, 2021. At the Special Meeting of the Shareholders of the Corporation held on September 2, 2021 for the purpose of considering and voting on a proposal to approve the Agreement and Plan of Merger by and among the Corporation and Van Dale Acquisition Corp. (the "Merger Agreement"), dated as of August 23, 2021, pursuant to which Van Dale Acquisition Corp. would merge with and into the Corporation (the "Merger"), the shareholders of the Corporation voted on and duly approved the Merger Agreement and the Merger by two-thirds of the outstanding shares entitled to vote thereon.

In furtherance of the authorization to approve of the Merger Agreement and the Merger, a Certificate of Merger was filed with the Secretary of State of the State of New York on September 2, 2021 and the transactions provided for therein became effective on September 2, 2021.

Offer pursuant to Section 623(g)

Aggregate number of shares with respect to which notices of election to dissent have been received:	Aggregate number of holders of such shares:
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35 shares of common stock	1
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Pursuant to NYBCL Section 623(g), the Corporation hereby offers to pay you \$222,287.15 for each of your shares, with an aggregate purchase price of a total price of \$7,780,050.25, which the Corporation has determined to be the fair value thereof. An amount equal to eighty percent (80%) of the amount of this offer will be delivered to you by the Corporation promptly upon submission of your certificates representing your shares of the corporation. You are hereby

advised that acceptance of such payment does not constitute a waiver of any dissenters' rights you may have.

In connection with these matters, you may refer to the audited financial statements of the Corporation for the year ended December 31, 2020, previously furnished to you. This notice and offer is also accompanied by financial statements of the Corporation for the three months ended March 31, 2020 and the three months ended March 31, 2021.

This notice and offer is dated September 3, 2021.

Van Dale Industries, Inc.

By: 

Name: Maurice Setton

Title: President

**VAN DALE INDUSTRIES, INC.
FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2021 AND 2020**

VAN DALE INDUSTRIES, INC.

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SHALIK, MORRIS & COMPANY, LLP
Certified Public Accountants

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Independent Accountants' Compilation Report

To the Board of Directors
Van Dale Industries, Inc.
New York, New York

Management is responsible for the accompanying financial statements of Van Dale Industries, Inc. (an S corporation), which comprise the balance sheets as of March 31, 2021 and 2020, and the related statements of income and retained earnings for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in Schedules of Expenses A, B, C, and D is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Shalik, Morris & Company, LLP

Woodbury, New York
June 8, 2021

VAN DALE INDUSTRIES, INC.

BALANCE SHEETS

March 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
<u>Current Assets:</u>		
Cash	\$ 52,846	\$ 199,842
Accounts Receivable - Net	42,951,437	20,594,289
Loans Receivable - Officer	225,000	175,000
Due from Affiliates	20,746	12,380
Inventory	22,991,233	26,707,865
Prepaid Expenses and Other Current Assets	52,166	1,048,606
Total Current Assets	<u>66,293,428</u>	<u>48,737,982</u>
<u>Property and Equipment - Net</u>	<u>1,281,263</u>	<u>1,427,226</u>
<u>Other Assets:</u>		
Due from Stockholders	312,000	312,000
Deferred Charges - Net	35,119	14,755
Total Other Assets	<u>347,119</u>	<u>326,755</u>
Total Assets	<u>\$ 67,921,810</u>	<u>\$ 50,491,963</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 2,523,627	\$ 423,162
Accrued Expenses and Other Current Liabilities	4,382,533	2,453,180
Dividends Payable	3,750,000	-
Notes Payable - Bank	34,300,000	35,200,000
Loans Payable - PPP / SBA	2,915,845	-
Income Taxes Payable	12,761	2,017
Security Deposit Payable	54,167	-
Total Current Liabilities	<u>47,938,933</u>	<u>38,078,359</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent	<u>1,444,466</u>	<u>1,053,812</u>
Total Liabilities	<u>49,383,399</u>	<u>39,132,171</u>
<u>Stockholders' Equity:</u>		
Common Stock, No Par Value:		
Authorized - 200 Shares		
Issued 200 shares and Outstanding 180 Shares	265,967	265,967
Additional Paid in Capital	22,512	22,512
Retained Earnings	22,519,932	15,341,313
	<u>22,808,411</u>	<u>15,629,792</u>
Less Cost of Common Stock in Treasury, 20 Shares	<u>(4,270,000)</u>	<u>(4,270,000)</u>
Total Stockholders' Equity	<u>18,538,411</u>	<u>11,359,792</u>
Total Liabilities and Stockholders' Equity	<u>\$ 67,921,810</u>	<u>\$ 50,491,963</u>

See independent accountants' compilation report.

VAN DALE INDUSTRIES, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS

THREE MONTHS ENDED MARCH 31,

	Month of March		Month of March		Three Months Ended		Three Months Ended		Percent Change
	2021	Percent	2020	Percent	March 31, 2021	Percent	March 31, 2020	Percent	
Gross Sales:	\$ 20,794,236	100.00	\$ 11,025,218	100.00	\$ 54,477,429	100.00	\$ 39,537,605	100.00	
Less: Sales Allowances/Discounts	412,719		219,370		1,082,311		788,569		
Sales Returns/Shortages	3,138		1,134		7,037		2,147		
Net Sales	20,378,379	100.00	10,804,714	100.00	53,387,881	100.00	38,746,889	100.00	37.79
Cost of Goods Sold:									
Inventory - Beginning	21,633,879		26,369,321		11,743,085		32,688,077		
Purchases	12,813,250		7,501,154		39,877,158		17,259,482		
Duty	2,289,260		395,482		6,771,098		4,365,521		
Freight-In	354,927		206,282		1,104,597		474,636		
Other Costs	10,791		6,551		33,135		17,030		
Less: Inventory - Ending	37,102,107		34,478,790		59,529,073		54,804,746		
	22,991,233		26,707,865		22,991,233		26,707,865		
Cost of Goods Sold	14,110,874	69.24	7,770,925	71.92	36,537,840	68.44	28,096,881	72.51	30.04
Gross Profit on Sales	6,267,505	30.76	3,033,789	28.08	16,850,041	31.56	10,650,008	27.49	58.22
(Per Management's Report for 2021 and 2020)									
Operating Expenses:									
Warehouse Expenses	1,106,949	5.44	673,238	6.23	3,014,667	5.65	2,087,174	5.39	44.44
Selling/Design Expenses	1,815,454	8.91	1,361,136	12.60	4,635,067	8.68	3,914,327	10.10	18.41
General and Administrative Expenses	546,897	2.68	458,336	4.24	1,533,132	2.87	1,478,946	3.82	3.66
Interest and Financing Costs - Net	92,878	0.46	84,316	0.78	257,010	0.48	272,297	0.70	(5.61)
Total Operating Expenses	3,562,178	17.49	2,577,026	23.85	9,439,876	17.68	7,752,744	20.01	21.76
Operating Income	2,705,327	13.27	456,763	4.23	7,410,165	13.88	2,897,264	7.48	155.76
Other Income (Expenses):									
Bad Debt (Expense) Recoveries	-	-	-	-	-	-	400	-	(100.00)
Rental Income - Sublease	57,667	0.28	-	-	173,000	0.32	-	-	100.00
Depreciation	(20,000)	(0.10)	(21,000)	(0.19)	(60,000)	(0.11)	(63,000)	(0.16)	(4.76)
State and Local (Taxes) Benefit	(6,300)	(0.03)	(1,100)	(0.01)	(18,800)	(0.04)	(7,100)	(0.02)	164.79
Total Other Income (Expenses)	30,867	0.15	(22,100)	(0.20)	94,200	0.17	(69,700)	(0.18)	235.15
Net Income	2,736,194	13.42	434,663	4.03	7,504,365	14.05	2,827,564	7.30	165.40
Retained Earnings - Beginning					15,015,567		12,513,749		
Less: Distributions Paid									
Retained Earnings - Ending					\$ 22,519,932		\$ 15,341,313		

See independent accountants' compilation report.

VAN DALE INDUSTRIES, INC.
SCHEDULES OF EXPENSES

THREE MONTHS ENDED MARCH 31,

	Month of March		Month of March		Three Months Ended		Three Months Ended		Percent Change
	2021	Percent	2020	Percent	March 31, 2021	Percent	March 31, 2020	Percent	
Schedule A - Other Costs									
Foreign Brokerage	\$ 6,791	0.03	\$ 3,751	0.03	\$ 21,135	0.04	\$ 8,630	0.02	144.91
Cargo Insurance	4,000	0.02	2,800	0.03	12,000	0.02	8,400	0.02	42.86
Total Other Costs	\$ 10,791	0.05	\$ 6,551	0.06	\$ 33,135	0.06	\$ 17,030	0.04	94.57
Schedule B - Warehouse Expenses									
Salaries	\$ 126,881	0.62	\$ 99,121	0.82	\$ 368,559	0.69	\$ 318,839	0.82	15.59
Temporary Help	266,761	1.31	102,838	0.95	569,899	1.07	164,568	0.42	246.30
Payroll Taxes and Benefits	10,409	0.05	9,672	0.09	30,882	0.06	31,684	0.08	(2.59)
Rent - Edison Facility	-	-	32,996	0.31	-	-	98,660	0.25	(100.00)
Rent - Cranbury Facility	166,177	0.82	-	-	498,531	0.93	-	-	100.00
Rent - American International	-	-	20,500	0.19	-	-	61,503	0.16	(100.00)
Rent Escalations - Edison Facility	-	-	7,396	0.07	-	-	23,187	0.06	(100.00)
Rent Escalations - Cranbury Facility	42,037	0.21	-	-	126,112	0.24	-	-	100.00
Rent Escalations - American International	-	-	4,178	0.04	-	-	12,532	0.03	(100.00)
Moving Expenses - Cranbury Facility	-	-	-	-	2,536	0.01	-	-	100.00
Storage / Delivery - American International	326,750	1.60	313,846	2.91	1,060,000	1.99	31,150	0.08	(100.00)
25 Mack Drive LLC Management fee	64,494	0.32	17,354	0.16	101,764	0.19	1,098,461	2.83	(3.50)
Computer Supplies/Maintenance/Consulting	633	0.04	(1,497)	(0.01)	3,279	0.01	3,679	0.01	169.43
Equipment Rental	8,250	0.04	9,737	0.09	28,048	0.05	32,303	0.08	(13.17)
Insurance Expense	4,074	0.02	-	-	4,314	0.01	4,201	0.01	2.69
Landscape, Snow Removal, Garbage Removal	2,364	0.01	3,633	0.04	5,933	0.01	7,780	0.02	(23.74)
Miscellaneous	358	-	48	-	1,282	-	866	-	48.04
Payroll Services - ADP	-	-	-	-	12,491	0.02	1,190	-	945.66
Repairs and Maintenance	1,610	0.01	-	-	4,843	0.01	1,135	-	326.70
Security and Alarm	7,270	0.04	7,952	0.07	43,102	0.08	70,708	0.18	(39.04)
Supplies - Corrugated Cartons	46,065	0.23	513	-	75,027	0.14	2,872	0.01	2,442.72
Supplies - Labels, Polybags / Accessories	6,824	0.04	17,625	0.16	23,581	0.04	34,258	0.09	(31.17)
Supplies - Services - Other	22,606	0.11	6,624	0.06	40,835	0.08	24,180	0.06	68.88
Supplies - Pallets	369	0.00	-	-	369	-	420	-	(12.14)
Telephone	2,995	0.01	1,498	0.01	7,488	0.01	4,492	0.01	66.66
Truck Leases	22	0.00	9,184	0.08	7,792	0.01	20,735	0.05	(62.42)
Utilities	-	-	-	-	-	-	-	-	-
Total Warehouse Expenses	\$ 1,106,949	5.44	\$ 673,238	6.23	\$ 3,014,667	5.65	\$ 2,087,174	5.39	44.44
Schedule C - Selling/Design Expenses									
Freight - Out	\$ 41,975	0.21	\$ 21,207	0.20	\$ 50,840	0.10	\$ 52,594	0.14	(3.34)
Sales/Sales Assistants Salaries	129,028	0.64	169,206	1.56	347,261	0.65	372,781	0.96	(6.85)
Design Salaries	226,587	1.11	254,594	2.36	599,497	1.12	723,790	1.87	(17.17)
Payroll Taxes/Benefits	37,368	0.18	47,496	0.44	124,335	0.23	170,766	0.44	(27.19)
Outside Commissions	305,779	1.50	334,503	3.10	817,335	1.53	850,260	2.19	(3.87)
Sales/Design/Advertising	130,751	0.64	36,638	0.34	514,250	0.59	238,014	0.61	32.03
Travel and Entertaining Expenses	-	-	-	-	-	-	-	-	-
- Includes Auto Expenses	8,492	0.04	10,355	0.10	34,480	0.06	53,120	0.14	(35.09)
Royalties and Licensing Costs	935,474	4.59	487,137	4.50	2,347,069	4.40	1,453,002	3.75	61.53
Total Selling/Design Expenses	\$ 1,815,454	8.91	\$ 1,361,136	12.60	\$ 4,653,067	8.68	\$ 3,914,327	10.10	18.41

See independent accountants' compilation report.

VAN DALE INDUSTRIES, INC.
SCHEDULES OF EXPENSES
(CONTINUED)

THREE MONTHS ENDED MARCH 31,

	Month of March		Month of March		Three Months Ended		Three Months Ended		Percent Change
	2021	Percent	2020	Percent	March 31, 2021	Percent	March 31, 2020	Percent	
Schedule D - General and Administrative Expenses									
Officers' Salaries	\$ 38,037	0.19	\$ 36,384	0.34	\$ 105,846	0.20	\$ 107,500	0.28	(1.54)
- Albert Ades	42,442	0.21	40,616	0.38	118,154	0.22	120,000	0.31	(1.54)
- Maurice Setton	42,442	0.21	40,616	0.38	118,154	0.22	120,000	0.31	(1.54)
- Gabriel Ades	42,442	0.21	19,461	0.18	119,115	0.22	57,500	0.15	107.16
- Jimmie Ades	122,946	0.60	116,835	1.08	332,058	0.62	350,115	0.90	(5.16)
Office Salaries	94,087	0.46	87,330	0.81	270,831	0.51	261,560	0.68	3.54
Office Rent and Electric	6,128	0.03	4,175	0.04	10,841	0.02	10,372	0.03	4.52
Telephone	15,570	0.08	13,376	0.12	49,669	0.09	80,036	0.21	(37.94)
Stationary and Office Expenses (Includes Postage)	1,750	0.01	1,250	0.01	5,250	0.01	3,750	0.01	40.00
Insurance - Net of Reimbursements	38,628	0.19	15,482	0.14	101,613	0.19	55,329	0.14	83.65
Professional Fees/Consultants	4,443	0.02	5,003	0.05	13,126	0.02	17,309	0.04	(24.17)
Servicing Payroll Checks	125	-	125	-	125	-	125	-	-
Dues and Subscriptions	31,459	0.15	25,350	0.23	85,757	0.16	89,861	0.23	(4.57)
Payroll Taxes	5,054	0.02	3,346	0.03	15,143	0.03	9,712	0.03	55.92
General Taxes									
Miscellaneous Expenses									
(Includes Messenger/Recruiting)	(1,406)	(0.01)	1,327	0.01	51,689	0.10	30,867	0.08	67.46
Employees' Welfare Expense	17,824	0.09	16,299	0.15	31,576	0.06	64,048	0.17	(50.70)
Computer Supplies/Maintenance/Consulting	44,926	0.22	31,361	0.29	104,185	0.20	100,362	0.26	3.81
Contributions							500		(100.00)
Total General and Administrative Expenses	\$ 546,897	2.68	\$ 458,336	4.24	\$ 1,533,132	2.87	\$ 1,478,946	3.82	3.66

See independent accountants' compilation report.