

Letter from Sturgis

Getting Back to Business  
Dakota Arms is out of bankruptcy

By Charlie Kokesh  
CEO, Dakota Arms

Some people tell me it's never dull at Dakota Arms. After the last 10 months, I know I speak for all of us when I say we are ready for a dull day. But events seem to preclude that from happening.

The big news since our last issue is that Dakota Arms is no longer in bankruptcy. As you know, Dakota was forced into Chapter 11 in July 2006. The team has spent the ensuing months working hard to keep our employees and our customers on board as we worked out our financial challenges.

In January, with guidance from our attorneys, Dakota's board of directors decided that the best way to put the bankruptcy behind us and move forward was to put all of the assets of Dakota Arms – essentially the entire company – on the auction block under Section 363 of the U.S. Bankruptcy Code.

After a diligent effort by an independent investment banking firm to identify potential bidders for Dakota Arms, a number of prospective purchasers, including some of the top names in our industry, conducted due diligence in preparation for a possible bid. At the end of the day, Technology Funding had the winning bid. As far as I am concerned, this underscored our belief in the quality of the Dakota products and people, the strength of the brand name and the future of Dakota Arms.

On February 28, 2007, U.S. Bankruptcy Judge Robert J. Kressel approved the sale of all the assets of Dakota Arms, Inc., including the use of the name, to a new legal entity, Dakota Arms, LLC. The sale had the blessing of the Official Committee of Unsecured Creditors and almost all of the other stakeholders. (There was only one objection to the sale.)

We believe – and the court seemed to agree – that the sale is in the best interests of the company, our employees and our customers because, once again, the Dakota team can now focus our attention on one thing – manufacturing the most accurate, reliable and beautiful rifles in the world.

As a part of the purchase agreement, “new Dakota” assumed the responsibility to build all of the rifles for which “old Dakota” had received deposits. In other words, the full amount of any deposit will be applied to each rifle as ordered.

“Old Dakota” as a legal entity still exists and remains under the protection of the bankruptcy court. Cancelled orders taken prior to July 2006 remain liabilities of the bankruptcy estate, and new Dakota legally cannot provide any cash refunds to pre-petition claims.

Except for a very few orders for products that have been discontinued – like the Dakota Model 22 – we expect all orders taken before July 2006 will be completed before the end of this calendar year.

To celebrate Dakota's new status, we have put together an extraordinary package based on the Dakota Model 10, possibly the most beautiful falling block rifle in production anywhere. Take another look at the rifle on our cover. This Model 10 was personally stocked by Don Allen in Special Select walnut that was truly unique. The engraving was done by one of the master artists of Creative Arts in Val Trompeia, Italy.

The one-of-a-kind piece on the cover can never be duplicated, but we can make a Model 10 exactly the way you want it. To give you a head start, for a limited time you can order a Model 10 package that includes \$3,200 of custom options at half price.

It starts with an upgrade to an Exhibition-grade walnut stock that you can personally select. Then, we add a cheekpiece with shadowline, an ebony forend tip and a teardrop carving near the action. The metalwork includes rich case coloring, quarter rib sights, Talley rings and an inlaid gold oval with your initials. All of these upgrades are only \$1,600 over the base price of a Model 10.

You can purchase this spectacular package as is, or you can use it as the beginning of an even more exceptional rifle by upgrading further to Special Select wood, a unique checkering pattern, even your own custom engraving. Interested? Call Richard Spruill, National Sales Manager, at 605.347.4686 to place your order.

One more detail – unless custom engraving will cause an unusual delay – we guarantee that orders placed before June 15, 2007, will be delivered in less than eight months. Your Model 10 will be in your hands before February 15, 2008. But only if you order today!

Another important piece of news is that the Model 97 has been discontinued. We do have a modest supply of bolts and stainless steel receivers that will be built out in a special configuration and in a limited number of calibers.

This is your last chance to purchase an all-weather, controlled feed Model 97. We have the receivers, stainless barrels and stocks for these rifles in inventory now. Order in the next few weeks, and we can guarantee delivery by October 15. Don't wait to place your order if you want to use this rifle for the fall hunting season.

Once this last batch of stainless Model 97s is out the door, the Dakota Model 76 will be the only traditional Dakota bolt-action rifle. We will, of course, continue to manufacture our elegant single-shot rifles, the Dakota Model 10, the Miller Classic and the Little Sharps, as well as the entire range of Nesika bolt-action rifles.

By the time this issue reaches you, the dedicated varmint hunters will already be in the field testing loads and perhaps organizing a trip to Wyoming, Montana, or western South Dakota. In a recent conversation with Dave Kiff of Pacific Precision, one of our key chamber reamer vendors, I learned something that might be of interest.

He told me that the single most-called-for varmint cartridge today is the .20 VarTarg. This wonderful cartridge was designed by Todd Kindler, Editor of *Small Caliber News*, back in 1995 using the .221 Fireball as the parent case. Precision dies are available from Redding and from The Woodchuck Den at 330.897.0614. Load data is featured prominently in Todd's book, "The Terrific Twenties," also available from The Woodchuck Den. Loaded ammo is available from Dakota.

Muzzle velocity, recoil and noise are even less than the outstanding Tactical 20 based on the .223 case. Dakota has chambered a large number of .20 VarTarg rifles in all three versions of the Predator. All of these rifles will drop five rounds at 100 yards into a ragged hole measuring .20" to .30" from center to center. Some shoot "in the 'teens."

One way to find out if you can shoot a ¼" group is to buy a Predator in .20 VarTarg. Highly recommended. (We should point out that Dakota licensed both the 20 Tac and the 20 VarTarg from Todd Kindler.).