

December 26, 2018

e-mail: [gberman@dsi.biz](mailto:gberman@dsi.biz)

To the Creditors and Shareholders of:

SHASTA CRYSTALS, INC.  
1750 CESAR CHAVEZ, UNIT J  
SAN FRANCISCO, CA 94124

Re: Notice of Commencement of Assignment for the Benefit of Creditors

Dear Sir or Madam:

Please be advised that Shasta Crystals, Inc., (the “Company”) made an assignment for the benefit of creditors pursuant to California law, in favor of Development Specialists, Inc. (the “Assignee”) on December 18, 2018 (the “Assignment”). This action was taken by the directors of the Company and consent of a majority of the shareholders.

The Assignee is informed that the Company manufactured single crystal fibers and nonlinear optical crystals using Laser Heated Pedestal Growth (LHPG) technology. Management was unable to find continued funding for the business when the private equity sponsors made the decision to stop further funding for operations. The Assignee has retained BioSurplus to liquidate the Company’s equipment. BioSurplus expects to have the liquidation process completed in approximately thirty to forty-five days. The proceeds will be applied against outstanding priority and general unsecured claims.

For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However, in this instance, California law rather than federal law (bankruptcy) controls. Experience has proven that in circumstances such as those in this instance, estates administered through general assignments typically return a greater recovery for creditors, quicker and more economically than the bankruptcy process.

This notice is being sent to all known creditors of the Company including all taxing authorities and all representatives of creditors. Attached is a Proof of Claim form that must be completed and returned to the Assignee no later than June 7, 2019, along with any documents substantiating the claim. Creditors who fail to file their proofs of claim by that date will not be entitled to share in any distribution arising out of the liquidation of the Company’s assets. Additional information regarding this matter can be found on the Assignee’s website, [www.dsiassignments.com](http://www.dsiassignments.com).

Please do not hesitate to contact the undersigned, or Joe Zagajeski ([jzagajeski@dsi.biz](mailto:jzagajeski@dsi.biz)) by e-mail or by telephone at (415) 981-2717 should you have any questions about this matter assignment

LOS ANGELES

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Thank you for your consideration and cooperation in this matter.

Very truly yours,

Development Specialists, Inc.  
Solely as Assignee for the Benefit of  
Creditors of Shasta Crystals, Inc.



By

Geoffrey L. Berman

Enclosure (Proof of Claim)