

December 26, 2018

Email address: keverett@dsi.biz

**FINAL COMMUNICATION
CASE NOW CLOSED**

TO THE CREDITORS AND SHAREHOLDERS OF

LIGHTSAIL ENERGY, INC.
914 HEINZ AVE.
BERKELEY, CA 94710

In the Assignee's last report to creditors and shareholders, we advised that Kholsa Ventures IV, LP had asserted a secured lien against all assets of Lightsail Energy Inc. in the amount of approximately \$19,000,000 and that, if verified, this secured lien would have priority to the proceeds of the liquidation of the Assignor's assets until paid in full. The Assignee and its counsel have since confirmed the validity of the lien documents and amounts as represented by Kholsa Ventures IV, LP.

As shown on the attached receipts and disbursement schedule, there has been a total recovery of approximately \$1,160,000.00, of which \$850,000.00 was credited to the Lender's secured lien, approximately \$113,000.00 was paid for post assignment rent, approximately \$66,000.00 was paid to Professionals including the Assignee and its counsel, and approximately \$9,000.00 was paid for administrative, utilities, cleanup or taxes. The current balance in the Estate is \$123,576.41.

Notice of unsecured claims in the amount of approximately \$3,000,000.00 have been received by the Assignee. Additionally, the Assignee received notice of Priority Tax claims of approximately \$150,000.00.

At this time the Assignee expects no further collections to be received into the estate. There remains approximately \$18,000,000.00 of unpaid verified secured lien claims held by Kholsa Ventures IV, LP. As such, there will be no distributions to any unsecured creditors or tax creditors. Our office is closing its file as to unsecured and tax creditor claims at this time.

Sincerely,



DSI Assignments, LLC, solely in its capacity as Assignee for the benefit of creditors of Lightsail Energy, Inc.

SAN FRANCISCO

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Lightsail Energy, Inc.
Receipts and Disbursements

Receipts

Accounts Receivable	2,145.00
Refunds	70,079.22
Sale of Assets	850,000.00
Transfer from Debtor	239,500.00
Total Receipts	<u>1,161,724.22</u>

Disbursements

Administrative	935.32
Professional Fees & Expenses	65,914.58
Rent	113,250.00
Secured Lender Payment	850,000.00
Environmental / Waste Cleanup	7,121.23
Utilities	126.68
Taxes	800.00
	<u>1,038,147.81</u>

Remaining Cash **\$ 123,576.41**

* Remaining Cash will be used for final wind down expenses or paid to Secured Lender