

February 5, 2019

e-mail: gberman@dsi.biz

To the Creditors of:

COHERA MEDICAL, INC.
A Delaware Corporation
277 Fayetteville Street, Suite 900
Raleigh, North Carolina 27601

RE: ASSIGNMENT FOR THE BENEFIT OF CREDITORS - UPDATE

Dear Sir or Madam:

The Assignee has filed motions with the Chancery Court for the appointment of Heritage Global Partners to sell at auction Cohera's equipment and Ocean Tomo to sell the patent portfolio. The equipment auction will be conducted on February 5-6, 2019 and the estimated value of the equipment is approximately \$100,000. The patent portfolio auction has been set for February 25, 2019. The listing of the equipment can be seen at: <https://hgpauction.hibid.com/catalog/155696/cohera-medical/>. The patent sale information can be found at www.oceantomo.com.

The Assignee has received a number of inquiries and expressions of interest as to both the equipment and the patent portfolio. The retention of both firms to conduct the sale of the equipment and patents was consented to by the secured lender, KKR Chrome Investors L.P. ("KKR"), which creditors will recall at the time of the general assignment was owed in excess of \$7.5 million under a secured credit facility provided. The Assignee has now confirmed that KKR's security interest was properly perfected as of the date of the general assignment.

Cohera vacated its Raleigh, NC, premises immediately prior to executing the general assignment. The Assignee learned that the landlord was the beneficiary of a letter of credit through PNC Bank to secure Cohera's obligations under the lease. There was also an approximate \$450,000 security deposit being held by the landlord. The Assignee, through special counsel, attempted to recover a portion of the security deposit and cash being held by the bank to secure the letter of credit. It was ultimately determined that the cash being held by the bank was properly documented as supporting the letter of credit. Further, the landlord and the Assignee reached an agreement that the landlord would draw on the letter of credit to the extent monies remained under that facility, as well as retaining the security deposit, in full satisfaction of its claim.

Creditors will recall the deadline for filing claims with the Assignee was January 4, 2019. A total of \$5.3 million in claims were filed with the Assignee. No unsecured creditor claim will see a recovery unless the patent auction generates sufficient value to retire KKR's secured claim.

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A further report will be sent after both the equipment and patent auctions have been conducted and the proceeds paid to the Assignee. Therefore creditors should expect our next report in mid-March 2019.

Very truly yours,

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

A handwritten signature in blue ink that reads "Geoffrey L. Berman". The signature is written in a cursive style with a long, sweeping tail.

By

Geoffrey L. Berman, Senior Managing Director
Development Specialists, Inc., the sole and managing member