

June 21, 2019

e-mail: gberman@dsi.biz

To the Creditors and Shareholders of:

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

FINAL COMMUNICATION
CASE NOW CLOSED

Re: Assignment for the Benefit of Creditors

Dear Sir or Madam:

As we previously advised, 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”). 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 however it was determined that there were possible issues with the sale of the equipment related to ITAR (International Traffic in Arms regulations). This issue caused a substantial delay in the Assignee’s ability to sell the equipment. Ultimately, the Assignee was able to make arrangements to sell the equipment to Azimuth Corporation, which has a contract with the United States Air Force related to the use of the equipment for \$60,000. The Company also had a portfolio of patents which to date no one has expressed any interest in and the Assignee will not be spending any of the limited assets in the estate to preserve.

Attached creditors will find a Statement of Receipts and Disbursements summarizing all monies administered during the pendency of this estate. The Assignee was funded with an advance from Sky Moon Ventures to administer the assignment estate. The proceeds of the equipment sale repaid this loan in full. Unfortunately, there are no assets remaining to be liquidated. The result is general unsecured creditors will not see a recovery from the assignment estate. The Assignee is therefore closing the administration of this assignment and creditors should mark their records accordingly please.

Very truly yours,

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



By

Geoffrey L. Berman

Enclosure (Statement of Receipts and Disbursements)

LOS ANGELES

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