

25 July 2013

e-mail address: gberman@dsi.biz

TO THE CREDITORS AND SHAREHOLDERS OF

ENERTECH ENVIRONMENTAL CALIFORNIA, LLC
BLOOMINGTON, CA 92316

Re: **GENERAL ASSIGNMENT FOR THE BENEFIT OF CREDITORS**

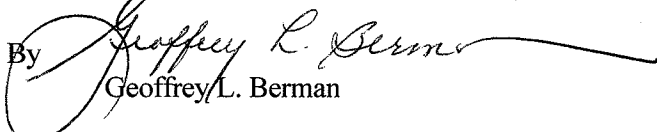
We can now report that the sale of the plant equipment was concluded during the week of July 15, 2013. The equipment was sold for \$850,000 to Hackman Capital Equipment Acquisition Company, LLC, , Tiger Valuation Services, LLC, , and Hunter Consulting, Inc. d/b/a HCl Environmental and Engineering Service.

The sale was approved by the secured bondholders Deutsche Bank Securities Inc., Nordkap Bank AG, Nuveen California High Yield Municipal Bond Fund, Nuveen High Yield Municipal Bond Fund, Nuveen Municipal High Income Opportunity Fund, Nuveen California Dividend Advantage Municipal Fund, Nuveen California Dividend Advantage Municipal Fund 2, Nuveen California Dividend Advantage Municipal Fund 3, and Pacific Specialty Insurance Company those bonds issued by the California Statewide Communities Development Authority (the "Lender") pursuant to that certain Indenture of Trust, dated as of March 1, 2007 (as amended, supplemented or otherwise modified from time to time) by and between the Lender and Deutsche Bank National Trust Company, solely in its capacity as trustee (the "Trustee"). A portion of the sale proceeds were retained by the Assignee to address outstanding administrative expenses incurred during the sale process; the remainder was paid directly to the Trustee for the secured bond debt.

The claims bar date of April 2013 has now passed. Creditors filed claims in excess of \$2.6 million over and above the secured claim noted above. Unsecured creditors however will not see a recovery from the sale proceeds as those proceeds were substantially below the amount owing on that secured debt of more than \$158 million, including unpaid interest. The Assignee has a few remaining administrative matters to address before being in a position to close the assignment estate. Creditors will receive a final notice, along with an accounting of the funds administered by the Assignee in approximately sixty days.

Very truly yours,

California Assignments, LLC, solely in its capacity as Assignee for the Benefit of Creditors of
ENERTECH ENVIRONMENTAL CALIFORNIA, LLC

By 
Geoffrey L. Berman

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LOS ANGELES

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