



# Development Specialists, Inc.

Advisory and Fiduciary Services • Corporate Restructuring and Workouts • Interim Management • Insolvency Services

31 December 2014

*e-mail address: gberman@dsi.biz*

FINAL COMMUNICAITON  
CASE NOW CLOSED

TO THE CREDITORS AND SHAREHOLDERS OF

ENERTECH ENVIRONMENTAL CALIFORNIA, LLC  
BLOOMINGTON, CA 92316

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

The Assignee previously reported the sale of the plant equipment was concluded in July, 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. 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.

Since that time, the Assignee has been working to sell EnterTech's rights to the Santa Ana Regional Interceptor (SARI) Discharge Agreement, dated October 17, 2007 between EnerTech and the San Bernardino Valley Municipal Water District, a California municipal water district. Various parties have been approached regarding EnerTech's rights under this Agreement, however no agreement has been finalized or approved by San Bernardino Valley Municipal Water District. In the event a sale of EnerTech's rights can be consummated, the proceeds from such sale will go to the bondholders, whose security interests include the rights under the SARI Agreement.

Additionally, as the Assignee advised previously, \$2.6 million in general unsecured claims were filed with the Assignee. Unfortunately, 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. Attached please find the Assignee's Statement of Receipts and Disbursements, which accounts for all monies handled during the administration of this assignment estate.

LOS ANGELES

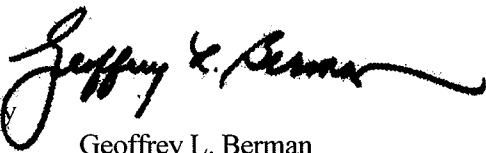
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The Assignee is now closing the administration of this assignment estate in light of the lack of additional assets for unsecured creditors and creditors are requested to mark their files accordingly.

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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Enclosure (Statement of Receipts and Disbursements)

**EnerTech Environmental California LLC.**  
**Statement of Cash Receipts and Disbursements**

<b>Receipts</b>	
Accounts Receivable	519,051.86
EnerTech Funds w/Secured Lender	799,425.87
Insurance Recovery	146,828.72
Refunds.	8,676.09
Sale of Assets	879,844.50
Cash in Bank	<u>1,066,080.31</u>
<b>Total Receipts</b>	<b>3,419,907.35</b>
<b>Disbursements</b>	
Administrative	20.00
Chemical Removal	55,147.70
Chemicals	3,849.00
Office Supplies	342.40
Computer Maintenance	1,460.22
Contract Labor	12,362.50
Diesel	1,078.29
Insurance	179,403.63
Leased Equipment	627.12
Licenses	1,615.00
Misc.	620.00
Office Cleaning	1,392.03
Outside Services	15,377.29
Payroll Expenses	259,006.41
Postage/Shipping	146.21
Professional Expenses	8,028.28
Professional Fees	420,797.98
Pumping & Removal	4,059.00
Rent	112,416.30
Security	95,716.32
Settlement	50,000.00
Storage	2,249.01
Taxes	2,295.16
Telephone	5,606.75
Testing	12,469.68
Trash Removal	587.46
Uniform Cleaning	10,286.72
Utilities	85,923.97
Vehicles	<u>5,223.62</u>
<b>Total Disbursements</b>	<b>1,348,108.05</b>
<b>Creditor Distributions</b>	
Secured Lender	<u>1,908,597.31</u>
<b>Total Creditor Distributions</b>	<b>1,908,597.31</b>
<b>* Total Cash Remaining</b>	<b><u>163,201.99</u></b>

*\*The remaining funds will be used for wind down expenses or will be paid to the secured lender.*