



Development Specialists, Inc.

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

22 October 2012

e-mail address: gberman@dsi.biz

TO THE CREDITORS AND SHAREHOLDERS OF

SVTC TECHNOLOGIES, LLC.
3901 N. FIRST STREET
SAN JOSE, CA 95134

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

Please be advised that SVTC Technologies, LLC (“SVTC”) executed a general assignment for the benefit of creditors in favor of California Assignments, LLC, (the “Assignee”) on Monday, October 15, 2012. This action was taken by the Members of the SVTC (the “Company”) after it was determined that it was not possible for the Company to continue operating as a going concern.

The Assignee has been made aware that the Company was financed through a loan from Wells Fargo Bank. Wells Fargo Bank has asserted that the Company was indebted to the Bank in the total amount of \$19,752,517.11 plus interest, attorney’s fees and expenses prior to assignment.

Additionally, the Assignee has been advised that the Company completed a sale of the assets located at the Company’s Austin, TX plant prior to the execution of the general assignment. That sale, to Novati Technologies, Inc. a company related to Tezzaron Semiconductor Corporation, generated a recovery of \$6,349,000 net of related expenses. These funds were paid to Wells Fargo Bank as a reduction of its secured loan.

Additionally, the Assignee is aware of the Company’s affiliated company, SVTC Solar, Inc. (“Solar”). The Company’s assets are separate and distinct from those of Solar. Solar is using a portion of the Company’s owned real property (3901 N. First Street, San Jose, CA); Solar also occupied a portion of the leased premises located at the 3833 N. First Street, San Jose, CA facility. Solar has now vacated the leased premises and the Assignee is in the process of returning the leased premises to the landlord.

The Assignee has retained the firm of Stutman, Treister & Glatt LLP (Michael H. Goldstein, Esq.) to serve as its counsel in this assignment estate. The firm is in the process of reviewing the Wells Fargo Bank loan and security documents to confirm the validity of the asserted liens against the Company’s assets.

The Assignee has received a number of proposals for the disposition of the plant equipment at the San Jose facilities. The Assignee believes that a sale of the plant equipment in bulk, along with the possible sale of the owned real estate, will likely result in a greater recovery than a piece-meal

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auction. Therefore, the Assignee has scheduled a sale of the equipment and real property for November 1, 2012. The sale will be on reserve, meaning that the sale is subject to the consent of Wells Fargo Bank as the secured creditor and to obtain releases of liens held by the Bank against the assets.

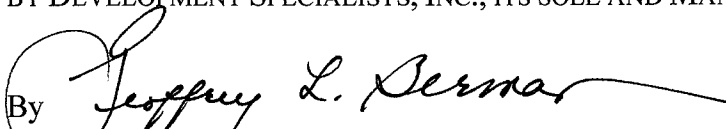
For those of you unfamiliar with general assignments, the process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However California law controls. Experience has proven that in circumstances such as those in this instance, estates administered through general assignments typically return a greater recovery on the assets of the estate, quicker and more economically than the bankruptcy process. There is no guaranty however in light of the significant amount of alleged indebtedness in this estate that the value of the Company's plant will be sufficient to retire the secured indebtedness. Creditors should note that California law provides for an assignee to recover preferential transfers made by the Company within the ninety days immediately prior to the making of the general assignment. No review of the transactions that may qualify as recoverable under California law has been undertaken yet.

Attached hereto creditors will find a form Proof of Claim by which creditors can file their claims with the Assignee. Please note that pursuant to California law (*see* Code of Civil Procedure §1802) the last day to file proofs of claim in this estate is April 5, 2013. Creditors who fail to file their proofs of claim by that date will not be entitled to share in any distribution arising out of the liquidation of the Company's assets should there in fact be any funds available for distribution to unsecured creditors. The Assignee will accept proofs of claim via facsimile, so long as the facsimile is received by the claims bar date April 12, 2013 and the original signed proof of claim is received by the Assignee not later than April 19, 2013. Please remember to include copies of your supporting invoices or statements with your proof of claim. The fact that the Assignee is accepting *proofs of claim* is not a guaranty that there will be any recovery by unsecured creditors from the liquidation of the assets of the Company..

Information regarding the general assignment may also be found at www.dsiassignments.com. After returning the form Proof of Claim, creditors are requested to advance their files approximately forty-five days, pending our next report.

Very truly yours,

California Assignments, LLC, solely in its capacity
as Assignee for the Benefit of Creditors of SVTC TECHNOLOGIES, LLC
BY DEVELOPMENT SPECIALISTS, INC., ITS SOLE AND MANAGING MEMBER

By 
Geoffrey L. Berman

\\GLB:SVTC \Notice-1\enclosure -- Proof of claim