



# Development Specialists, Inc.

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

2 May 2013

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

TO THE CREDITORS AND SHAREHOLDERS OF

LUMENERGI, INC.  
8371 CENTRAL AVENUE, SUITE B  
NEWARK, CALIFORNIA 94560

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

Please be advised that the Assignee intends to sell the inventories, equipment, and the intellectual property of the Company, including its portfolio of patents and patents pending, the Lumenergi Advanced Lighting Controls system, including complete hardware, software and firmware designs to control luminaires, Intelligent Sensors, Programmable Wall Controllers, interconnect modules and lighting protocol adapters, at a sale to be conducted at the offices of Dorsey & Whitney, Palo Alto, CA on Monday May 13, 2013. The sale will be for cash consideration and is subject to consent of the pre-assignment secured lenders. The sale will be on an "as-is, where-is" basis.

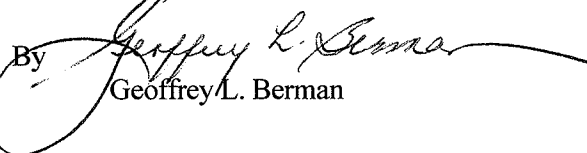
The Assignee has spent the last six weeks discussing the assets with numerous parties that have expressed varying degrees of interest in the assets. All parties have executed non-disclosure agreements to gain access to Company information in support of their due diligence into the assets.

The Assignee is simultaneously finalizing its efforts to vacate the Company's former offices in Newark, CA. That process will be impacted by the May 13 sale. The Company obtained a \$250,000 bridge loan from certain of its investors shortly before the execution of the general assignment on March 19, 2013, the proceeds of which were used to fund final payroll and related employee benefits. The bridge loan was secured by a pledge of the Company's assets and was perfected through the appropriate UCC financing statements with the Delaware Secretary of State's Office, and loan and security agreements. The Assignee has retained Craig Prim, Esq., of Dorsey & Whitney, to act as its counsel in this matter and Mr. Prim has reviewed the documentation of this secured loan. Further, the bridge lenders have consented to the general assignment and the Assignee's possession and liquidation of the collateral securing the bridge loan.

Creditors are reminded to file their Proof of Claim by September 10, 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.

Very truly yours,

Development Specialists, Inc. solely in its capacity  
as Assignee for the Benefit of Creditors of  
LUMENERGI, INC.

By   
Geoffrey L. Berman

LOS ANGELES

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