

July 12, 2017

e-mail: [gberman@dsi.biz](mailto:gberman@dsi.biz)

e-mail: [msorenson@dsi.biz](mailto:msorenson@dsi.biz)

To the Creditors and Shareholders of:

**PEARL AUTOMATION, INC.**  
**100 Enterprise Way, Suite A100**  
**Scotts Valley, CA 95066**

Re: Notice of Commencement of Assignment for the Benefit of Creditors

Dear Sir or Madam:

Please be advised that Pearl Automation, Inc. (the “Company”) made an assignment for the benefit of creditors pursuant to California law, in favor of DSI Assignments, LLC, (the “Assignee”) on July 7, 2017 (the “Assignment”). The Assignment was authorized by the Company’s Board of Directors and its shareholders.

The Company created a rear view camera imbedded in a license plate frame and related app. The product, while sold through various channels including television shopping networks, was not able to generate sufficient volume to support the start-up venture. Efforts to raise additional capital were not successful.

The Company was party to a secured credit facility with Comerica Bank (“Comerica Bank”), which had a lien on substantially all of the Company’s assets to secure a letter of credit in favor of the overseas manufacturer of the camera/frame kit in addition to other monies advanced by the Bank. As of the date of the Assignment, COMERICA was owed approximately \$2.35 million plus accrued and accruing interest, attorneys’ fees and other fees and expenses. Immediately prior to the making of the general assignment, the company completed a sale of inventory to InstallerNet. Comerica Bank consented to this sale and is entitled to the net proceeds after the cost to transport the product to the Buyer. The Company also has a portfolio of patents which the Assignee will look to sell, including a just approved patent in China.

The general assignment process is similar to liquidations administered under Chapter 7 of the Bankruptcy Code. However, in this instance, California law rather than federal law (bankruptcy) controls. Experience has proven that in circumstances such as those in this instance, estates administered through general assignments typically return a greater recovery for creditors, quicker and more economically than the bankruptcy process.

This notice is being sent to all known creditors of the Company including all taxing authorities and all representatives of creditors. Attached is a Proof of Claim form that must be completed and returned to the Assignee no later than December 19, 2017, along with any documents

LOS ANGELES

333 South Grand Avenue, Suite 4070 • Los Angeles, California 90071-1544 • Telephone: 213.617.2717 • Fax: 213.617.2718 • [www.dsi.biz](http://www.dsi.biz)

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substantiating the claim. 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. Additional information regarding this matter can be found on the Assignee's website, <http://www.dsiassignments.com/case.asp?id=102> (Pearl Automation, Inc.).

Please do not hesitate to contact the Assignee's office by e-mail or by telephone at (213) 617-2717 should you have any questions about this matter assignment

Thank you for your consideration and cooperation in this matter.

Very truly yours,

Development Specialists, Inc.  
Solely as Assignee for the Benefit of  
Creditors of Pearl Automation, Inc.



By  
Geoffrey L. Berman

Enclosure (Proof of Claim)