

November 21, 2017

e-mail: gberman@dsi.biz

To the Creditors and Shareholders of:

**STION CORPORATION
6321 IGNACIO AVENUE
SAN JOSE, CALIFORNIA**

--and--

**95 W L RUNNELS INDUSTRIAL DR
HATTIESBURG, MISSISSIPPI**

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

Dear Sir or Madam:

Please be advised that Stion Corporation (the “Company”) has made an assignment for the benefit of creditors pursuant to California law (the “Assignment”). The Assignment has been duly authorized by the Company’s Board of Directors and its shareholders. DSI Assignments, LLC, has been designated as the assignee (the “Assignee”) under the Assignment. The Assignment became effective on November 13, 2017.

The general assignment process has many similarities to liquidations administered under Chapter 7 of the Bankruptcy Code. For example, similar to a bankruptcy trustee, the Assignee is an independent fiduciary that will collect and sell the Company’s assets and make distributions to the Company’s creditors on account of their claims. However, in this instance, California law rather than federal bankruptcy law will govern the process. The Assignee has certain important rights such as the status of a lien creditor under state law. This enables the Assignee to use its lien rights to supplant unperfected security interests for the benefit of the Company’s unsecured creditors and to prevent individual unsecured creditors from obtaining more than their pro rata share of the Company’s unencumbered assets. Experience has shown that oftentimes estates administered through general assignments will result in payments to creditors more quickly and more economically than in a bankruptcy process and that the recovery for creditors can be superior to a bankruptcy case.

The Company was an American manufacturer of solar panels. Its manufacturing and production facility was located in Hattiesburg, MS. The Company also maintained research and development offices in San Jose, CA.

Although the Assignee’s review of the Company’s capital structure and purported liens has just begun, (1) the Mississippi Development Authority (“MDA”) asserts that it is owed approximately \$70 Million and that its claim is secured by a lien on substantially all of the plant equipment located in the Hattiesburg facility, and (2) Khosla Ventures III, LP (“Khosla Ventures”), asserts that it is owed approximately \$10 Million and that its claim is secured by a

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Stion Corporation
November 21, 2017
Page 2

lien on substantially all of the Company's assets, including patents and other intellectual property.

The Assignee has retained the firm of Goodwin Procter LLP to represent it in this assignment for the benefit of creditors. Among its responsibilities, Goodwin Procter will be reviewing the validity and perfection of all purported security interests, including those asserted by the MDA and Khosla Ventures, as well as addressing any legal issues that arise during the assignment administration. William Weintraub and Barry Bazian from Goodwin Procter will be representing the Assignee.

Khosla Ventures is the principal shareholder of the Company and it elected to initiate the Assignment. In order to enable the Assignment to proceed and for the Assignee and its legal counsel to perform their duties, the Assignee has an agreement with Khosla Ventures to make secured loans to the Assignee to fund the administrative expenses necessary for the Assignee to liquidate the Company's assets and to review and pay the claims of creditors from the value (if any) remaining after the payment of creditors holding valid liens. The Assignee is also currently in discussions with the MDA regarding the MDA's willingness and ability to cover administrative expenses related to preserving the Hattiesburg assets. In the meantime, the Assignee is working with the Company's former management to continue efforts to find a turn-key buyer for the facilities, or to identify other parties that would pay maximum value for the plant equipment while minimizing the costs associated with both facilities.

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 **May 7, 2018**, along with any documents 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/cases/106> (Stion Corporation).

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.

Thank you for your consideration and cooperation.

Very truly yours,

DSI Assignments, LLC,
Solely as Assignee for the Benefit of
Creditors of Stion Corporation



By

Geoffrey L. Berman

Enclosure (Proof of Claim)

PROOF OF CLAIM

In the Matter of:

**STION CORPORATION
6321 IGNACIO AVENUE
SAN JOSE, CALIFORNIA**

And

**95 W L RUNNELS INDUSTRIAL DR
HATTIESBURG, MISSISSIPPI**

The undersigned creditor of Stion Corporation, a Delaware corporation, hereby submits its claim in the general assignment estate created upon the execution and acceptance of the general assignment in favor of DSI Assignments, LLC, solely in its capacity as Assignee for the benefit of creditors of the assignor, as of November 13, 2017, in the amount as set forth below, and substantiated by the attached invoices or statement of account.

Date Submitted: _____

Amount of Claim: _____

Name of Creditor: _____

By: _____

Title

Address: _____

City, State & Zip: _____

() _____ () _____

Telephone

Facsimile

E-mail address: _____

NOTE: Interest is applicable only to the date of the assignment and then only in the event a written agreement exists between you and the debtor providing for the payment of interest.

*Return completed form to DSI Assignments, LLC,
c/o Development Specialists, Inc.
70 West Madison Street, Suite 2300, Chicago, IL 60602
Attn: Kevin Byers*

Note: If faxing the proof of claim, the original must be received by the Assignee by May 7, 2018