

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
  
: (Subchapter V)
  
VTES, INC. *et al.*, :
  
: Case No. 20-\_\_\_\_\_( )
  
Debtors.<sup>1</sup> :
  
:
  
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**FIRST DAY AFFIDAVIT OF RAVI PUVVALA  
PURSUANT TO RULE 1007-2 OF THE LOCAL BANKRUPTCY  
RULES FOR THE SOUTHERN DISTRICT OF NEW YORK**

STATE OF CALIFORNIA )  
 ) ss.:  
COUNTY OF SANTA CLARA )

Ravi Puvvala, being duly sworn, deposes and says:

1. I am the President and Chief Executive Officer of Savari, Inc. (“Savari”) the ultimate parent company and sole owner of VTES, Inc. (“VTES”) and Savari Systems Pvt., Ltd. (“SSPL,” together with Savari and VTES, the “Debtors”). I have a Bachelor of Science degree from Bangalore University in India and a Master of Science Degree from Arizona State University. I have more than 25 years of experience in the automotive and telecommunications industry, and have worked for numerous startups and Fortune 100 companies in Silicon Valley during my career.

2. I submit this affidavit (the “Affidavit”) pursuant to Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local

<sup>1</sup> The last four digits of VTES Inc. and Savari Inc.’s federal tax identification numbers are 3188 and 9745, respectively. The last four digits of Savari Systems Pvt., Ltd.’s registration number is 8251.

Rules”) in support of the Debtors’ petitions (the “Petitions”) for relief under subchapter V of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), filed on December 27, 2020 (the “Petition Date”), and the Debtors’ various first day applications and motions contemporaneously filed herewith (the “First Day Pleadings”). I have reviewed the Debtors’ Petitions and the First Day Pleadings, and it is my belief that they are true and accurate to the best of my knowledge, and the relief sought therein is essential to ensure the uninterrupted operation of the Debtors’ business while they seek to administer these cases (the “Chapter 11 Cases”), sell substantially all of their assets and wind down their affairs pursuant to a chapter 11 plan under subchapter V of chapter 11 of the Bankruptcy Code.

3. Except as otherwise indicated, the facts set forth in this Affidavit are based upon my personal knowledge, my review of relevant documents, information provided to me by officers and directors of the Debtors, the Debtors’ various employees, professionals retained by the Debtors (including, Griffin Hamersky LLP and Rock Creek Advisors LLC) and third-party vendors to the Debtors, or my opinion based upon experience, knowledge, and information concerning the operations of the Debtors and their industry as a whole. I am authorized to submit this Affidavit on behalf of the Debtors, and if called upon to testify, I would testify competently to the facts set forth herein. Unless otherwise indicated, the financial information contained in this Affidavit is unaudited.

4. The Affidavit is divided into four parts. Part I offers a discussion of the: (a) Company’s history and an overview of its business; (b) the Debtor’s organizational structure; (c) the Company’s business operations; (d) certain of the Debtors’ key operational agreements; and (e) Debtors’ capital structure. Part II addresses the events leading to the filing of the Chapter 11 Cases, including the decline in the Debtors’ business, the cause for such decline, and efforts made

by the Debtors' management to stabilize and restructure their financial and operational affairs. Part III sets forth information required by Local Rule 1007-2 to the extent not otherwise provided herein. Part IV discusses the relevant relief sought in the Debtors' First Day Pleadings and the grounds for such relief.

**I.**  
**The Debtors' Business**

**A. Company Overview and History**

**Company Overview**

5. Founded in 2008, the Debtors and their non-debtor affiliates (collectively, the "Company"),<sup>2</sup> *inter alia*, build and market software and hardware sensor solutions for OEM automotive car manufacturers, the automotive Tier 1 suppliers, "smart cities,"<sup>3</sup> and pedestrians and cyclists with the vision of making transportation more predictable, safe and more efficient. The Company has been a pioneer in connecting cars and smart infrastructure. From its beginnings as a research and innovation hub, the Company has grown to be a major supplier to international test beds for connecting cars and infrastructure.

6. With more than 150 combined years of "V2X" learning and development, and 15 million-plus miles per year of public testing, the Company is an industry leader in V2X

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<sup>2</sup> The Debtors' non-debtor affiliates are: (i) Savari HK Limited and Shanghai Savari Technology, Co. Limited ("SSTC"), entities organized under the laws of China; and (ii) Savari GmbH, an entity organized under the laws of Germany. In October and November of 2020, the Company respectively ceased its China and German business operations. For purposes of this Affidavit, "Company" shall refer to the collective business enterprise of the Debtors and the non-debtor entities.

<sup>3</sup> Smart cities are cities that utilize a framework, predominantly composed of information and communication technologies to develop, deploy, and promote sustainable development practices to address growing urbanization challenges and improve the quality of life for citizens. In 2018, the Company made a decision to pause its smart cities business operations.

technology.<sup>4</sup> As of November 30, 2020, the Company's gross revenue was approximately \$1.5 million.

### Company History

7. The Company's business operations during its early years were directed, in large part, towards the research and development of V2X technology in the form of software and hardware. During these years, the Company's customers included: (a) research facilities and municipal agencies, such as the University of California, Berkeley and the California Department of Transportation; (b) industry consortiums, such as the Crash Avoidance Metrics Partnership ("CAMP"), which included the world's top automotive companies – *e.g.*, Ford, General Motors and Toyota; and (c) research proving grounds, such as the University of Michigan Transportation Research Institute, the Virginia Tech Transportation Institute, and Maricopa County, Arizona. Accordingly, as a result of the Company's early involvement in V2X research, it was primed to pivot to pursuing smart city deployments using its V2X technology. Indeed, when the USDOT authorized approximately \$40 million in funds for three smart city projects, the Company was awarded contracts, for two of those projects – the smart city project with (a) the Tampa Hillsborough Expressway Authority (the "THEA") in Tampa, Florida; and (b) the smart city project associated with New York City's connected vehicle pilot (the "CVP") administered by the New York City Department of Transportation ("NYCDOT").<sup>5</sup>

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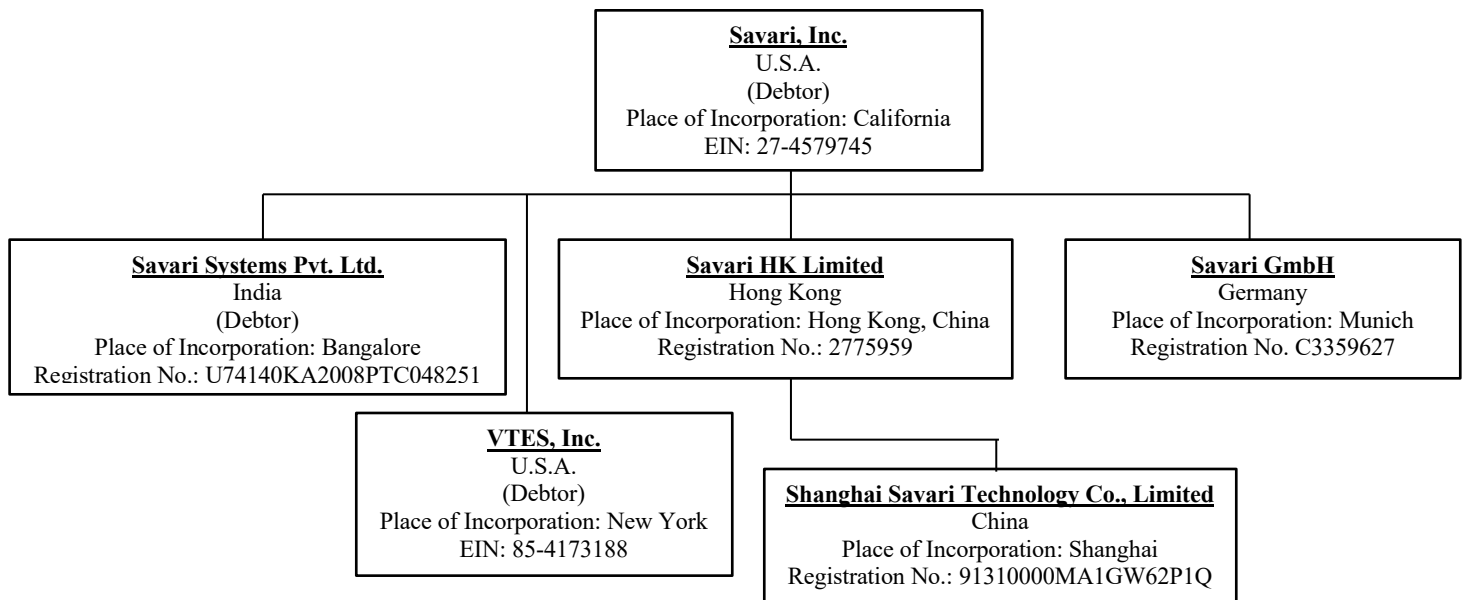
<sup>4</sup> Vehicle-to-everything communications, commonly known in the technology sector as V2X, is a wireless technology aimed at enabling data exchanges between a vehicle and its surroundings. V2X communications include: "V2V," vehicle-to-vehicle communications; "V2I," vehicle-to-infrastructure communications; "V2P," vehicle-to-phone for pedestrians; and "ISP," infrastructure-to-phone. Initially, in the United States, V2X research was initiated and funded by the United States Department of Transportation or "USDOT."

<sup>5</sup> In connection with the project for THEA, the Company supplied THEA with hardware devices and associated software utilizing the Company's V2X technology. Similarly, in conjunction with the CVP project, the Company supplied the NYCDOT with hardware devices and associated software and services also using its V2X technology.

8. Significantly, the Company believed that a notice of proposed rule-making (“NPRM”) governing the more wide-spread use of V2X technology for smart cities would spur a pervasive demand for the Company’s V2X technology. Although the NPRM for V2X technology was scheduled to be signed in late 2016 or early 2017, the NPRM was indefinitely postponed by the federal government. And by 2018, due to delays in smart city deployments and the upswing in automotive OEM interest in V2X technology, the Company made the decision to pivot its focus away from smart cities engagements, and instead focus on business opportunities in the automotive OEM sector - either directly or through the Tier-1 system. The Company also began to focus on V2X technology relating to infrastructure – specifically, software and hardware for interface and V2X data transmission via traffic signals and sensors on roadways; and cloud and data management relating to such technology.

**B. The Debtors’ Organizational Structure**

9. VTES, a New York corporation, and SSPL, an Indian private limited company, are wholly owned subsidiaries of Savari, a California corporation.



As discussed in greater detail below, the Company ultimately abandoned the engagement associated with the CVP project.

C. The Company's Business Operations

10. Headquartered in Santa Clara, California, the Debtors have 64 employees with current operations located in the United States and India.<sup>6</sup> As noted above, the Company is an industry leader in the V2X technology sector, with operations that include the development of technology for the OEM automotive market, Tier 1 suppliers, smart cities and pedestrians. The Debtors' business operations include contracts and/or other business relationships with some of the world's most recognizable companies including, but not limited to, Aptiv, AT&T, Audi, BMW, Bosch, Continental, Desay SV Automotive, Ford, General Motors, Harman International ("Harman"), Marsh Electronics, and Qualcomm. These relationships include the Company's direct and/or indirect licensing of its V2X technology to be integrated by customer-companies in various multipurpose car communications systems. Since its founding, the Company has equipped more than 5,000 vehicles with integrated hardware and software relating to its V2X technology.

11. As discussed above, the Company's V2X technology is also produced for infrastructure use relating to interface and V2X data transmission through traffic signals and roadway sensors. The Company's business operations also involve the development of cloud and data management software relating to the use of their V2X technology.

The OEM Automotive Market Business

12. For nearly a decade, the Debtors have provided their V2X technology to OEMs in the United States and Europe through a variety of contractual and other business arrangements. As noted above, in 2008, the Debtors began their V2X technology work in the

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<sup>6</sup> The Debtors have 54 employees in India and 10 employees in the United States.

United States working in coordination with the USDOT and the Company's various customer and partner-entities. In 2016, the Debtors began providing such technology in Europe.

13. The Debtors license their "V2X middleware" technology along with multiple safety applications to car manufacturers, including OEMs developing autonomous and self-driving cars. The Debtors' V2X middleware technology provides OEMs with additional sensors and more accurate predictive analytics for such cars, and is unique in that: (a) unlike other sensor technologies, their software does not require line of sight of the environment (road, intersections or any object); (b) provides an increased level of driving accuracy, especially in hazardous conditions; and (c) enables cars to communicate with other vehicles (V2V), infrastructure (V2I) and pedestrians (V2P) up to a mile away. Specific examples of the Debtors' V2X middleware technology includes:

- (a) *V2V technology* - electronic emergency brake light, forward collision warning, blind spot warning, intersection movement assist, lane change advisory, left turn assist, and do not pass warning technology;
- (b) *V2I technology* - curve speed warning, work zone warning and in-vehicle signal phase and timing visualization technology; and
- (c) *V2P technology* - technology enabling cars to identify pedestrians crossing streets in unpredictable situations and alerts drivers through an application displayed either on a smartphone or on In-Vehicle-Infotainment systems.

#### The Debtors' Automotive Tier 1 Business Operations

14. The Debtors' automotive business segment works with Tier-1 suppliers in the automotive industry to equip cars with V2X systems based initially on dedicated short range communications ("DSRC"), and subsequently with C-V2X (cellular vehicle-to-everything) sensors and predictive and life-saving V2X applications. In conjunction with their Tier 1 business

operations, the Debtors also support Tier-1 suppliers in supplying automotive OEMs with middleware and applications for autonomous and self-driving cars utilizing certain of the Debtors' V2X middleware technology and applications.

The Debtors' Smart Cities & Pedestrian Business Operations

15. As disruptive transportation trends, such as shared mobility and automation of cars become prevalent in urban areas, the Debtors have worked with cities and city administrations to deploy life-saving V2X technology. Notably, the Debtors have already developed and deployed their V2X technology in cities in the United States, including Ann Arbor, Michigan; Washington, DC; Anthem, Arizona; Palo Alto and Sunnyvale, California; and Blacksburg, Virginia. The Debtors have also developed and deployed such V2X technology in Shanghai, China.

16. Although the Debtors have temporarily shifted their focus away from smart city projects due to the government's pause on the issuance of the NPRM V2X technology, they nevertheless continue to work with the USDOT regarding such technology. For example, the Debtors, in conjunction with the USDOT, developed the "SmartCross" app for smartphones (an app that alerts pedestrians when it is safe to walk, and enables pedestrians to request pedestrian crossing signals).

**D.** The Intercompany SSPL Master Services Agreement

17. A majority of the Debtors' business operations are facilitated through a key intercompany services agreement with SSPL. The Debtors' V2X technology is created through a software development arrangement under that certain Master Services Agreement, dated April 1, 2012 (the "MSA"), between Savari and SSPL. Under the MSA, SSPL provides software development to Savari for the Company, including design services and quality analysis and checks relating to the Debtors' V2X technology. Additionally, pursuant to the MSA, SSPL provides



finance, human resource, administration and IT services relating to certain of the Company's operations. The fees charged by SSPL under the Master Services Agreement are at rates considered to be reasonable by Savari. Additionally, the rates are defined by a cost-plus model that complies with Indian law. The Master Services Agreement has an indefinite term, but may be terminated by either Savari or SSPL upon sixty (60) days-notice.

18. The Master Services Agreement is necessary and critical for the smooth and orderly operation of the Debtors' business.

**E. The Debtors' Capital Structure**

19. The Debtors have \$ 1,515,152.00 in secured debt consisting of a secured financing between Silicon Valley Bank ("SVB" or the "Prepetition Secured Lender") and Savari. In addition, the Debtors have approximately \$7.6 million in aggregate unsecured current liabilities, including : (a) \$5 million in convertible notes with General Motors Ventures LLC ("GM Ventures"); (b) \$498,725 in convertible notes with Flextronic Automotive Sales and Marketing, Ltd.; (c) a \$342,450 SBA Paycheck Protection Program Loan from the federal government (the "PPP Loan"); (d) a \$10,000 Economic Injury Disaster Loan advance from the federal government; and (e) \$1.7 million in trade payables, counterparty contract claims, and certain employee related claims

20. Notably, GM Ventures holds more than 20% of the outstanding shares of Savari, rendering it an "*affiliate*" of the Debtors pursuant to section 101(2) of the Bankruptcy Code. Accordingly, the GM Ventures' debt is not included as part of the \$7.5 million debt cap under

section 1182(1) of the Bankruptcy Code with regards to the Debtors' eligibility as debtors under subchapter V of chapter 11 of the Bankruptcy Code.<sup>7</sup>

21. The Debtors have approximately 16,000 shares of issued and outstanding common stock and approximately 29,000 shares of issued and outstanding preferred stock (15,000 shares of issued and outstanding Series A preferred stock and 14,000 shares of issued and outstanding Series B preferred stock).

## **II.** **Circumstances Leading to These Chapter 11 Cases**

### **A. Decline in Financial Performance**

22. The decline in the Debtors' business may be attributed to a number of events. The first event adversely impacting business operations was the failure of the National Highway Traffic Safety Administration ("NHTSA") to issue the V2X mandate that was supposed to be derived from the V2X technology NPRM. Indeed, the federal government not issuing the NPRM for this technology relating to smart cities and all new vehicles to be sold in the U.S. eliminated an expected large uptick in demand for the Company's V2X technology and services. The Company's Series A round of funding anticipated the NPRM as a stimulus to its business forecast, which ultimately did not materialize. The nature of this first round of funding was premised on the belief that federal government mandates concerning the rules for the use of V2X technology would accelerate the adoption of such technology. However, the lack of the NPRM and the numerous corresponding customer funding delays for smart city programs, ultimately led to the Company's pivot from the smart cities market in 2018. This lack of revenue,

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<sup>7</sup> See Voluntary Chapter 11 Petition of Savari, Inc., dated December 27, 2020 (2019 Schedule G Form 1120: Information on Certain Persons Owning the Corporation's Voting Stock). GM Ventures owns 22.74% of Savari's voting stock.

in turn, led to the Company's need for additional funding – funding coming in the form of the Company's Series B round of fund raising, but funding that never materialized under the Company's contemplated Series C capital raise.

23. In addition to the decline in business caused by the lack of funds anticipated from the use of the Debtors' V2X technology with smart cities programs, the Company was forced to abandon its successful bid for the aforementioned New York City CVP project, a bid for which it had purchased \$2 million of components and expended hundreds of thousands of dollars on engineering development. The Company's withdrawal from the project was a result of, among other things, delays in project funding and a demand by the City of New York that the Company indemnify it against any and all damages relating to the Company's technology or related services. The Company simply could not comply with the terms of this engagement, and ultimately was left with a large inventory and no viable recourse against the City of New York. The Company's forced abandonment of this project caused a significant impact to both the Debtors' cash position and productivity (productivity relating to engineering assets that were dedicated to the CVP and not being used on revenue bearing projects).

24. A further cause for the decline in business resulted from changes required by the Federal Communications Commission concerning the radio type and spectrum allocated to V2X technology. Prior to the FCC's changes, the legacy radio was DSRC, which occupied a radio spectrum reserved only for use by V2X technology. The new radio format known as C-V2X (cellular vehicle-to-everything) is part of the United States' emerging 5G LTE standards. Although the Company was able to successfully make the change to the new radio format and is now a leader in this technology as well as the legacy version, the required change caused

considerable delays in program rollouts and specification, as well as the expenditure of substantial time and dollars of R&D.

25. Additionally, the launch of automotive OEM production programs that will include the Debtors' V2X technology was also delayed for a number of years. Similar to the issues concerning the smart cities programs, the stalled launch of automotive OEM programs was also driven by the delay in the V2X technology NPRM, and the uncertainty caused by the FCC's radio change referenced above. Notwithstanding the delays, the Company was able to book \$16 million worth of automotive OEM royalty business, however, these orders will not generate revenue until late 2022 – when the cars utilizing the Debtors' V2X technology go into production.

26. The above events caused the Debtors' payroll expenditures for both infrastructure and automotive personnel to greatly exceed the accounts received for their V2X technology and related services. This, in turn, detrimentally impacted the Debtors' cash position and operations.

**B. Cost Reduction Initiatives**

27. In an attempt to right-size their financial and operational affairs, the Debtors engaged in a series of cost reduction measures. These cost reduction efforts are set forth below.

Closing of Offices and Reduction in Force

28. In an effort to stabilize its business, the Company closed its offices and ceased its operations in Detroit, Michigan; Munich, Germany; and Shanghai, China. Additionally, the Debtors have terminated their corporate office lease in Santa Clara, California, which is now on a month-to-month lease arrangement for the small physical lab area needed to ship product to customers. As a further component of their cost reduction efforts, the Debtors laid off staff at their headquarters in Santa Clara, California and their office in Detroit, in addition to the employees

that were laid off in connection with the Company's foreign office closures.<sup>8</sup> In addition to these reductions in force, the Debtors have reduced payroll their payroll expenses through the implementation of employee furloughs beginning in August 2020.

Miscellaneous Cost Saving Measures

29. As a further means of preserving liquidity, the Debtors have cancelled all trade show and promotional expenses, and have eliminated all travel since March 2020. Additionally, the Debtors have terminated all trade services that are not essential to their basic operations (*i.e.*, janitorial, market services, etc.).

C. The Debtor's Restructuring Efforts and the Sale Process

30. Notwithstanding major cost reduction efforts, and efforts to permit the Debtors to continue as a going concern, the Debtors' cash position remains severely distressed. The Debtors are continuing to lose cash at a rate that would require a cessation of operations imminently if they are unable to consummate the sale of their assets in a court-supervised transaction.

Capital Raise and Loan Efforts

31. In 2019, the Company raised interim funding of \$5.5 million collateralized by notes and warrants. Additionally, in 2019, the Company retained Raymond James, as its investment bankers, to assist the Company in pursuing various alternatives for raising additional capital for the Company. The Company and Raymond James began a process to explore strategic alternatives, including minority and majority investments (either via debt, equity or both) or in connection with a sale. Strategic parties contacted included automotive and technology

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<sup>8</sup> As noted above, the Company closed its offices in Germany and China and in conjunction therewith laid off substantially all of its staff in those offices.

companies. Financial parties contacted included private equity firms, hedge funds, traditional investors and specialty investors. The Company and Raymond James decided a Series C capital raise would offer the Company the best opportunity to raise the funds that it desperately needed for operations – specifically, \$20 million to reach a cash flow positive position within eighteen (18) months of the raise.

32. Accordingly, in the third quarter of 2019, the Company (through Raymond James) contacted approximately 500 strategic and financial parties in the United States, the European Union and China that it believed would be interested in participating in the Company’s Series C funding. Unable to attract investors, in large part, due to investor cash constraints as a result of the COVID-19 pandemic, the Company reduced its target raise to \$12 million in the second quarter of 2020. Although the Company was able to garner support with a lead investor and one other interested party, it was unable to fill the Series C funding round. Unable to obtain the Series C funding, the Company applied for and received a \$342,450 PPP Loan. The PPP Loan served as a stop-gap measure, allowing the Company to maintain payroll for employees in the United States.

#### The Sale Process

33. In the beginning of the third quarter of 2020, the Company shifted its capital raise strategy and focused exclusively on marketing its assets for sale. In conjunction with the sale process Raymond James contacted 77 potential financial and strategic buyers (the “Initial Parties”). Of the Initial Parties, approximately 25 expressed interest with 5 of those interested parties signing non-disclosure agreements (the “Interested Parties”). The Interested Parties were provided access to a comprehensive data room, containing the Company’s key financial and operational information, and all of its relevant organizational and corporate documents. Of the

Interested Parties, one party, Harman Becker Automotive Systems, Inc. (the “HBAS” or the “Purchaser”) engaged in specific negotiations with respect to entering into a transaction with the Debtors for a going concern acquisition of substantially all of the Debtors’ assets.

34. Accordingly, in November 2020, the Debtors and the Purchaser began negotiating the terms of a going concern sale, with the parties exchanging various draft letters of intent outlining the prospective terms and conditions of the acquisition. On December 27, 2020, the parties finalized their negotiations and entered into that certain asset purchase agreement (the “Purchase Agreement”) for the sale (the “Sale”) of substantially all of the Debtors’ assets. HBAS has also agreed, subject to court approval, to fund the Debtor’s postpetition debtor-in-possession financing pending the Sale.

35. Immediately prior to and during their negotiations with HBAS, the Debtors attempted to obtain financing from private lending institutions to fund their operations. The Debtors’ requests for financing were either rejected outright or the financing was on terms that were commercially unreasonable. Significantly, the Debtors’ Prepetition Secured Lender expressed no interest in offering the Debtors postpetition financing.

36. The Debtors believe that their entry into the Purchase Agreement, which will fund a plan in these Chapter 11 Cases, will provide creditors with far greater recoveries than a liquidation. The Debtors believe that a liquidation is imminent if they are unable to procure postpetition financing to consummate the Sale.

37. Moreover, given their extensive prepetition sale marketing process, the Debtors do not believe that further marketing of their assets would attract additional interested parties willing to consummate the Sale on terms more favorable to the Debtors’ estates than those proposed in the Purchase Agreement. In fact, the Debtors believe that an undue delay in the

consummation of the Sale or HBAS' withdrawal therefrom would likely lead to a near-term cessation of the Debtors' operations and liquidation of their business, all to the detriment of the Debtors' employees, creditors and other parties in interest. Accordingly, the Debtors believe an expedited timeline is appropriate to effectuate a prompt, yet court authorized plan-sale of the Debtors' assets as a going concern. It is logical and beneficial to creditors that the Debtors continue to operate their business while a potential sale is concluded in conjunction with their chapter 11 plan.

**III.**  
**Information Required by Local Rule 1007-2**

38. Pursuant to Bankruptcy Rule 1007(d) and Local Rule 1007-2, this affidavit provides the following information:<sup>9</sup>

39. Set forth in the attached Exhibit A is a list of any committees organized prior to the order for relief in these Chapter 11 Cases.

40. Set forth in the attached Exhibit B is a list of the names and addresses and, where available, telephone numbers of the creditors holding the twenty largest unsecured claims against the Debtors, excluding insiders and affiliates, and (where available) the name of the person familiar with the Debtors' account. This list also includes the amount of each claim, and, if appropriate, an indication whether such claim is contingent, unliquidated, disputed, or partially secured, subject to the Debtors' rights to dispute the validity of any claims.

41. Set forth in the attached Exhibit C is a list of the names and addresses of the creditors holding the five largest secured claims against the Debtors. The Debtors, however, have

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<sup>9</sup> Local Rule 1007-2(3) requires disclosure of certain information regarding any committee organized prior to the order for relief in a chapter 11 case. As no such committee was formed in this case, Local Rule 1007-2(3) is not applicable hereto.



only one secured creditor – the Prepetition Secured Lender. This list includes the amount of such creditor’s claim, a brief description of the type of collateral securing the claim, and whether the claim or lien is disputed, subject to the Debtors’ rights to dispute the validity of the claim. The value of the collateral securing the claim remains undetermined.

42. Set forth in the attached Exhibit D is a summary of the assets and liabilities of the Debtors, as of August 31, 2020.

43. Set forth in the attached Exhibit E is a list of the number and classes of debt securities of the Debtors that are publicly held. The Debtors do not have publicly held equity securities.

44. Set forth in the attached Exhibit F is a list of the Debtors’ property that is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor (other than bank accounts which may be subject to claims or setoff), or agent for any such entity.

45. Set forth in the attached Exhibit G is a list of the premises owned, leased, or held under other arrangement from which the Debtors operate their business.

46. Set forth in the attached Exhibit H is a list of the locations of the Debtors’ substantial assets and books and records, and the nature, location and value of any assets held by the Debtors outside the territorial limits of the United States.

47. Set forth in the attached Exhibit I is a list identifying the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property, where a judgment against the Debtors or a seizure of their property may be imminent.

48. Set forth in the attached Exhibit J is a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

49. Set forth in the attached Exhibit K is a list of information relating to (i) payroll to non-insider Debtor employees, and (ii) estimated amounts to be paid to officers, equity holders, directors, and financial and business consultants retained by the Debtors for the thirty-day period following the filing of their chapter 11 petitions.

50. Set forth in the attached Exhibit L list of the estimated cash receipts and disbursements, net cash gain or loss, and unpaid obligations and receivables expected to accrue but remaining unpaid (other than professional fees), for the thirty-day period following the Petition Date.

51. Notwithstanding anything to the contrary contained in this Affidavit or any schedule attached to this Affidavit, nothing in this Affidavit or any schedule is intended to be, or should be construed as, an admission with respect to (i) the liability for, the amount of, the enforceability of, or the validity of any claim, or (ii) the existence, validity, enforceability or perfection of any lien, mortgage, charge, pledge or other grant of security for any claim, or (iii) the proper characterization of any transaction or financing as a sale or financing. The Debtors specifically reserve the right to challenge any claim or any transaction or any alleged security for any claim on any and all bases.

**IV.**  
**First Day Pleadings and Orders**

52. Concurrently with the commencement of these Chapter 11 Cases, the Debtors have filed a number of First Day Pleadings and, at the "first day" hearing, will seek orders approving those pleadings and associated proposed orders (collectively, the "First Day Orders").

I have reviewed each of the First Day Pleadings and Orders (including the exhibits attached thereto) and the facts set forth therein are true and correct to the best of my knowledge, information and belief. I believe that the relief sought in each of the First Day Pleadings and Orders (a) is vital to enable the Debtors to make the transition to, and operate in, chapter 11 with minimum interruption or disruption to their business or loss of going concern value, and (b) constitutes a critical element in the Debtors achieving a successful sale and an orderly wind-down of their business. I further believe that the requested relief is in the best interest of the Debtors' estates.

Joint Administration Motion

53. The Debtors request entry of an order directing joint administration of the Chapter 11 Cases for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. Specifically, the Debtors request that the Court maintain one file and one docket for all three of the Chapter 11 Cases under the Chapter 11 Case of VTES. Furthermore, the Debtors request that an entry be made on the docket of the Chapter 11 Case for VTES. indicating joint administration of the Chapter 11 Cases.

54. Given the integrated nature of the Debtors' business, joint administration of the Chapter 11 Cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many, if not all, of the motions filed, hearings held, and orders entered in the Chapter 11 Cases will, almost, certainly affect all Debtors. I believe that an order directing joint administration of the Chapter 11 Cases will reduce fees, costs, and expenses by avoiding duplicative filings and objections and will allow the United States Trustee and all other parties in interest to monitor the Chapter 11 Cases with greater ease and efficiency. I respectfully submit that the Joint Administration Motion should be approved.

Creditor Consolidation Motion

55. The Debtors request that the Court authorize it to, among other things: (a) prepare a consolidated list of creditors in the format currently maintained in the ordinary course of business in lieu of submitting any required mailing matrix; and (b) mail notices to creditors through Bankruptcy Management Solutions, Inc. (“Stretto”). Contemporaneously with the filing of the motion, the Debtors have filed an application to retain Stretto as their claims and noticing agent in these Chapter 11 Cases. The Debtors believe that using Stretto for this purpose will maximize administrative efficiency in these Chapter 11 Cases and reduce the administrative burdens that would otherwise fall upon this Court and the Office of the Clerk.

Claims and Noticing Agent Application

56. The Debtors request that Stretto be appointed as the claims and noticing agent in these Chapter 11 Cases, including assuming full responsibility for the distribution of notices and the maintenance, processing and docketing of proofs of claim filed in the Chapter 11 Cases.

57. The Debtors have obtained and reviewed engagement proposals from three (3) other court-approved claims and noticing agents to ensure selection through a competitive process. Moreover, the Debtors submit that, based on all engagement proposals obtained and reviewed, Stretto’s rates are competitive and reasonable, given Stretto’s quality of services and expertise.

Cash Management Motion

58. Prior to the commencement of the Chapter 11 Cases, in the ordinary course of their business, the Debtors maintained a highly efficient cash management system (the “Cash Management System”). The Cash Management System facilitates the efficient flow and management of funds involved in the Debtors’ business operations, and is customized to address

the specific needs of the Debtors, which ensures their ability to efficiently monitor and control their cash position.

59. In connection with the Cash Management System, the Debtors maintain five (5) bank accounts (the “Bank Accounts”): two (2) at Silicon Valley Bank in the name of Savari; one (1) at Bank of America (“BoA”) in the name of VTES; and two (2) in the name of SSPL at Citibank India (“Citibank”) and at ICICI Bank in India:

<b><u>Debtor</u></b>	<b><u>Bank</u></b>	<b><u>Account Type</u></b>	<b><u>Last 4 Digits</u></b>	<b><u>Defined Term</u></b>
Savari, Inc.	SVB	Checking	3983	“Operating Account
Savari, Inc.	SVB	Payroll	6589	“Payroll Account”
VTES, Inc.	BoA	Checking	3740	“VTES Account”
SSPL	Citibank	Checking	4803	“Indian Account”
SSPL	ICICI	Current	0053	“Indian Governmental Obligations Account”

60. The Debtors routinely deposit, withdraw, and otherwise transfer money to, from and between certain of the Bank Accounts by various methods, including by wire, automated clearing house (“ACH”) transfers, and other electronic fund transfers.

61. Receipts received from the Debtors’ business operations primarily fund the Debtors’ Cash Management System. Funds required for payment of obligations owed by the Debtors are transferred from their Operating Account directly to certain creditors or, alternatively, twice a month, to their Payroll Account in amounts sufficient to fund their United States employees’ payroll and employee benefits obligations.

62. Funds from the Operating Account are disbursed by check, wire or ACH transfer for a variety of business obligations, including professional fees, vendor obligations, and tax obligations. Otherwise, twice a month, the Debtors transfer amounts to their Payroll Account sufficient to fund their United States employees’ payroll and employee benefits obligations.

63. Additionally, the Operating Accounts transfers funds via ACH transfer, on a monthly basis, to the Indian Account to fund the entirety of the operations of SSPL. Similarly, all funds necessary to fund the obligations of VTES are transferred directly from the Operating Account to the VTES Account via ACH transfer.

64. SSPL also maintains the Indian Governmental Obligations Account at ICICI Bank in India that it utilizes primarily for government related obligations, such as local taxes and tax refunds. All funding to the ICICI Bank Account occurs by ACH transfer from the Indian Account. No funds flow into the Indian Account from the ICICI Bank Account.

65. Allowing the existing Cash Management System to remain in place will facilitate a smoother transition into chapter 11. Notably, the Cash Management System includes the necessary accounting controls to enable the Debtors to trace amounts through the system and ensure that all transactions are adequately documented and readily ascertainable. Absent the Debtors' ability to continue to use their Cash Management System, it may be difficult for the Debtors to accurately track the location, sources and uses of their cash.

#### Tax Motion

66. Prior to the Petition Date, the Debtors in their ordinary course of business incurred sales, use, and other taxes and similar obligations (collectively, "Taxes"). Sales and use taxes accrue as the Debtors sell products relating to the Debtors' V2X technology and are calculated on the basis of statutorily mandated percentages of the price at which the Debtors' products are sold. In some cases, however, sales and use taxes are paid in arrears once collected by the Debtors.

67. As of the Petition Date, the Debtors were substantially current in the payment of assessed and undisputed Taxes; however, certain Taxes attributable to the prepetition period were not yet due.

68. The continued payment of the Taxes on their normal due dates will ultimately preserve the resources of the Debtors' estates, thereby creating a greater recovery for creditors and stakeholders. If such obligations are not timely paid, the Debtors will be required to expend time and incur attorneys' fees and other costs to resolve a multitude of issues related to such obligations, each turning on the particular terms of each taxing authority's applicable laws, and whether penalties, interest, and attorneys' fees and costs can continue to accrue on a postpetition basis, and, if so, whether such penalties, interest, and attorneys' fees and costs are priority, secured or unsecured in nature.

69. Finally, the Debtors seek authorization for their banks to honor prepetition checks and electronic transfers issued by the Debtors to the taxing authorities in payment of prepetition Taxes that, as of the Petition Date, have not cleared. In addition, to the extent the Debtors have not yet sought to remit payment to the taxing authorities with respect to certain Taxes, the Debtors seek authorization to issue checks and electronic transfers or provide for other means of payment to the taxing authorities as necessary to pay the Taxes.

Motion to Confirm Protections of Automatic Stay and *Ipsa Facto* Provisions

70. The Debtors have many creditors and counterparties to contracts around the world – including, in India, China and the European Union, that may not be well versed in the restrictions of the Bankruptcy Code. Many of these creditors do not transact business on a regular basis with companies that have filed for chapter 11, or are unfamiliar with the scope of a debtor in possession's authority to conduct its business. These creditors may be unfamiliar with the operation of the automatic stay and other provisions of the Bankruptcy Code.

71. Thus, various interested parties may attempt to seize assets to the detriment of the Debtors, their estates, and creditors, or take other actions in contravention of the automatic stay of section 362 of the Bankruptcy Code. In addition, upon learning of the Debtors' bankruptcy,

counterparties to leases and executory contracts may attempt to terminate those leases or contracts pursuant to *ipso facto* provisions in contravention of section 365 of the Bankruptcy Code. Accordingly, the Debtors seek an order enforcing and restating the automatic stay and *ipso facto* provisions of the Bankruptcy Code.

Insurance Motion

72. The Debtors request authority to maintain and to pay all insurance premiums and other obligations related thereto, including any deductibles, administration fees, consulting fees, brokerage fees, assessments, or other fees, in connection with the Debtors' various insurance policies (collectively, the "Insurance Policies"), which Insurance Policies the Debtors obtained through several third-party insurance carriers. The Debtors also seek authority to renew, revise, extend, supplement, change or enter into new insurance policies.

73. The Insurance Policies include, *inter alia*, a directors and officers' liability policy, a general liability policy, and automobile insurance policies. Maintenance of insurance coverage under the various Insurance Policies is essential to effectively manage the Debtors' business and to maximize the value of the Debtors' estates. A cancellation or suspension of insurance coverage could result in the Debtors being exposed to substantial liability for personal and/or property damages, to the detriment of all parties in interest.

74. Maintenance of insurance coverage under the various Insurance Policies is required under the United States Trustee's Operating Guidelines for Debtors in Possession and Trustees. Thus, the Debtors submit that they should be authorized to continue to pay Insurance Policy premiums as such premiums come due, in the ordinary course of the Debtors' business, including costs of renewing such Insurance Policies and utilizing insurance brokers, as necessary, subject to the Debtors' business judgment.



Employee Wages Motion

75. The Debtors seek authority to pay prepetition obligations to current employees (the “Employees”), including, all employee benefit programs, such as health and dental insurance, retirement programs, and paid vacation and personal leave, including: paying all premiums and administrative or other employer paid costs in the ordinary course of business and honoring all prepetition paid time off obligations (the “Employee Benefit Obligations”).

76. As set forth above, as of the Petition Date, the Debtors have 64 Employees: 10 Employees in the United States (the “U.S. Employees”) and 54 Employees in India (the “India Employees”). The Debtors, through their payroll processor, Automated Data Processing, Inc. (“ADP”), pay the U.S. Employees on a semi-monthly basis, with payroll averaging approximately \$85,000 (as certain employees were recently furloughed), and pay the India Employees, directly, on a monthly basis, with payroll averaging approximately \$144,000.

77. I contend that these Employees are essential to the ongoing operation of the Debtors’ business. The Employees’ skills, institutional knowledge and understanding of the Debtors’ V2X technology, business operations, and client relations are essential to the effective ongoing administration of all aspects of the Chapter 11 Cases, including a successful sale in these cases. The Employees perform a variety of critical tasks, including daily staffing and management of the Debtors’ business, maintenance of the Debtors’ intellectual property, as well as provide direct services for the Debtors’ customers. The Employees’ knowledge and understanding of the Debtors’ V2X technology, operations, and customer relations are essential to a successful sale and ultimately chapter 11 plan confirmation. Without the continued services of the Employees, the Debtors’ business would likely collapse.

78. Additionally, the Debtors seek to continue all of their Employee Benefits Programs in accordance with prepetition practice. The Debtors seek authority to pay any prepetition amounts that may be outstanding on account of the Employee Benefits Programs in the ordinary course of business and consistent with past practice in accordance with the Bankruptcy Code.

79. I assert that if prepetition wages and related amounts, such as those related to Employee Benefits Programs, are not received by the Employees in the ordinary course of business, the Employees will suffer extreme personal hardship and, in many cases, will be unable to pay their basic living expenses. Such result would destroy Employee morale and result in significant Employee turnover, causing immediate and pervasive damage to the Debtors' ongoing business operations - further resulting in immediate and irreparable harm to the Debtors' and their estates.

#### DIP Financing Motion

80. By this Motion, the Debtors request entry of interim and final orders (collectively, the "DIP Orders") granting the Debtors authority to obtain postpetition debtor-in-possession financing (the "DIP Financing"), use cash collateral in accordance with the priorities set forth in the Interim DIP Order, and provide adequate protection to the Prepetition Secured Lender on the terms set forth in the Interim DIP Order and the documents (the "DIP Financing Agreements") relating to such DIP Financing.

81. As noted above, immediately prior to and during their negotiations with HBAS, the Debtors attempted to obtain financing from private lending institutions to fund their operations. The Debtors' requests for financing were either rejected outright or the financing was on terms that were commercially unreasonable. Further, the Prepetition Secured Lender was not willing to offer postpetition financing to the Debtors.

82. After vigorous arm's-length negotiations with HBAS, the Debtors, in an exercise of sound business judgment, decided to move forward with the DIP Facility. For a number of reasons, I believe the DIP Financing is in the best interests of the Debtors, their estates, and creditors. The DIP Facility is a senior secured revolving credit facility in the principal amount of \$1,050,000.00. The DIP Facility is to be secured by all of the Debtors' assets that are not presently encumbered and takes a junior lien position in the Debtors' currently encumbered assets. I believe that absent the financing provided by HBAS, the Debtors would lack the liquidity to pay employees, and other operational expenses, or fund the administrative costs attendant to prosecuting the Chapter 11 Cases. Thus, without the DIP Facility, the Debtors would be unable to consummate the Sale contemplated in these cases, or ultimately utilize the proceeds therefrom to fund a plan in these cases.

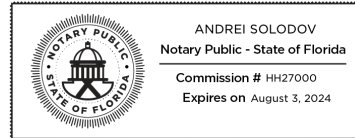
83. The Debtors are also seeking authority to use their Cash Collateral to, among other things, fund the cash needs related to their operations (including the amounts necessary to administer these Chapter 11 Cases), satisfy their obligations under the DIP Facility, and provide adequate protection to their Prepetition Secured Lender. The Debtors' access to sufficient working capital and liquidity made through the use of Cash Collateral, incurrence of new indebtedness, and other financial accommodations, are vital to the preservation and maintenance of their going concern value pending the administration of these Chapter 11 Cases. Further, given the realities of the Debtors' circumstances, including a capital structure that includes very few unencumbered assets, I submit that the terms of the DIP Facility reflect the most reasonable and viable option for the Debtors. The Debtors' decision to enter into the DIP Facility was fair and reasonable, reflected an exercise of prudent business judgment consistent with their fiduciary duties, and was appropriate under the circumstances.

84. The foregoing is true and correct to the best of my knowledge and belief.

Dated: Santa Clara, California  
December 28, 2020

*Ravi Puvvala*  
/s/ \_\_\_\_\_  
Ravi Puvvala

State of Florida, County of Broward  
SWORN TO before me this  
28th day of December, 2020  
Who provided identification of: CA Driver License  
/s/ \_\_\_\_\_ Andrei Solodov  
Notary Public, State of Florida  
Qualified in Broward County  
Commission Expires on 08/03/2024



Notarized online using audio-video communication

**EXHIBIT A**

**Committees Organized Prepetition**

As required under Local Bankruptcy Rule 1007-2(a)(3), no committees have been organized prior to the order for relief in these Chapter 11 Cases.

**EXHIBIT B**

**List of Creditors Holding of the Twenty (20) Largest Unsecured Claims**

As required under Local Bankruptcy Rule 1007-2(a)(4), the following lists information relevant to the twenty (20) largest unsecured claims. The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. Moreover, nothing herein shall affect any rights of the Debtors to challenge the amount or characterization of any claim at a later date.

**Fill in this information to identify the case:**

Debtor name VTES, Inc.  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known): \_\_\_\_\_

Check if this is an amended filing

**Official Form 204**

**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders** 12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor <sup>1</sup> and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
ALLY ALLY Payment Processing Center PO Box 78234 Phoenix, AZ 85062-8234	ALLY Payment Processing Center  commercialfinance@ally.com 888-925-2559	Trade Claim				\$560.68
American Express PO Box 0001 Los Angeles, CA 90096-8000	800-528-4800	Trade Claim				\$1,149.94
Arboretum II LLC Attn: John Kuriakuz 34505 W Twelve Mile Rd, Ste 15 Farmington, MI 48331	John Kuriakuz john.kuriakuz@freg.com 248-848-4094	Professional Services				\$19,447.72
Armanino LLP Attn Diana Namauleg Namauleg PO Box 398285 San Francisco, CA 94139-8285	Diana Namauleg diana.namauleg@amllp.com 408-200-6442	Professional Services				\$19,941.25
CA State Board of Equalization Administration PO Box 942879 Sacramento, CA 94279-3535	CA State Board of Equalization  800-400-7115	Tax				\$1,304.17
CitiBusiness Card PO Box 78045 Phoenix, AZ 85062-8045	CitiBusiness Card  888-248-4226	Trade Claim				\$20,646.37
Datasite LLC Attn Leif Simpson PO Box 74007252 Chicago, IL 60674-7252	Attn Leif Simpson leif.simpson@datasite.com 651-632-4046	Trade Claim				\$4,744.65

<sup>1</sup> The below list of creditors is being presented on a consolidated basis for VTES, Inc., Savari, Inc., and Savari Systems Pvt. Ltd.

Debtor **VTES, Inc.**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
<b>Fish &amp; Richardson P.C. Attn: Brian Lease PO Box 3295 Boston, MA 02241-3295</b>	<b>Attn: Brian Lease lease@fr.com 650-839-5070</b>	<b>Professional Services</b>				<b>\$2,552.00</b>
<b>Flextronics International Attn: Rob Cronan 6201 America Center Dr. Alviso, CA 95002</b>	<b>Rob Cronan rob.cronan@flextronics.com</b>	<b>Loan</b>				<b>\$1,351,472.00</b>
<b>Flextronics International 6201 America Center Dr. Alviso, CA 95002</b>	<b>Nicole Stevenson nicole.stevenson@flex.com</b>	<b>Note</b>				<b>\$498,528.00</b>
<b>Indian Income Tax Dept. 1 FI Prestige Alpha No 48/1-2 Hosur Rd Bengaluru Karnataka INDIA 560100</b>	<b>webmanager@incometax.gov.in 080-46605200</b>	<b>Tax</b>				<b>\$20,413.79</b>
<b>Jinan ShengAn Info. Technology Aosheng Bldg. 3 Rm 2204 Xinluo St. 1166 Jinan Shandong CHINA 25010-1000</b>	<b>Jinan ShengAn Info. Technology info@jovision.com 0086-531-88192061</b>	<b>Trade Claim</b>				<b>\$50,000.00</b>
<b>O'Melveny &amp; Myers LLP PO Box 894436 Los Angeles, CA 90189-4436</b>	<b>Ava Antonio aantonio@omm.com 650-473-2649</b>	<b>Professional Services</b>				<b>\$69,819.03</b>
<b>Pathi Mohan - HUF No 1637 30th Cross BSK II Stage Bangalore 560070 INDIA</b>	<b>Pathi Mohan mohanpathi@gmail.com</b>	<b>Rent</b>				<b>\$982.94</b>
<b>Raymond James &amp; Associates Inc Attn: Amar Krishnamurthy Treasury ECM-RMB PO Box 23603 Saint Petersburg, FL 33742</b>	<b>Attn: Amar Krishnamurthy ECMBilling@raymondjames.com 212-883-4607</b>	<b>Professional Services</b>				<b>\$45,386.94</b>



Debtor **VTES, Inc.**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Silicon Valley Bank Attn: Greg Singer 2400 Hanover St. Palo Alto, CA 94304	Attn: Greg Singer gsinger@svb.com 650-320-0016	Loan				\$342,450.00
TSMT Consulting Pvt. Ltd. No 4/02 15th Cross South End 2nd Block Jayanagar Bangalore INDIA 560011	accounts@tsmtconsulting.com 080-42088991	Professional Services				\$1,465.71
US Sm. Business Administration 455 Market St., Ste 600 San Francisco, CA 94105	415-744-6820	Loan				\$10,000.00
Vectis Law Group Attn: Patrick Costello 1900 S. Norfolk St. Ste. 350 San Mateo, CA 94403	Attn: Patrick Costello pcostello@vectislawgroup.com 650-320-1688	Professional Services				\$26,456.50
Wenham Carter International Attn: Charlotte Akehurst 44 North Rd., E. Sussex BN11YR United Kingdom	Charlotte Akehurst charlotte.akehurst@wenhamcarter.com 44(0) 1273-648-040	Professional Services				\$30,000.00

**EXHIBIT C**

**Holders of the Largest Secured Claim**

As required under Local Bankruptcy Rule 1007-2(a)(5), the below list includes the Debtors' only secured claim.<sup>1</sup>

<b>Creditor's Name, Mailing Address (including the number, street, apartment or suite number, and zip code, if not included in the post office address) and Telephone Number</b>	<b>Total amount of the claim</b>	<b>Description of collateral</b>	<b>Estimated value of the collateral</b>	<b>Whether claim or lien is disputed</b>
Silicon Valley Bank 2400 Hanover Street Palo Alto, CA 94304  Morrison Foerster John Hancock Tower 200 Clarendon St., 20 <sup>th</sup> Fl. Boston, MA 02116 Attn: Alex Rheame, Esq. P: (617) 830-0142 F: (617) 830-0142	\$1,515,512.00	All assets, personal and fixture property of the Debtor excluding intellectual property.	Unknown	

<sup>1</sup> The amount set forth on this Exhibit represents the estimated amount as of the Petition Date and shall not constitute an admission of liability with respect to the priority, extent or validity of such amount, nor is it binding on the Debtors.

**EXHIBIT D**

**Summary of Assets and Liabilities**

As required under Local Bankruptcy Rule 1007-2(a)(6), the following is a summary of the assets and liabilities of Debtors Savari, Inc. and Savari Systems Pvt. Ltd, which are reported on a consolidated basis under parent Savari, Inc. No such summary exists for Debtor VTES, Inc.

**Savari Inc.**  
**BALANCE SHEET**  
**August 31, 2020**  
(Unaudited, amounts in USD)

<b>ASSETS</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>
<b>Current assets:</b>	<b>Liabilities</b>
Cash	<b>Current liabilities:</b>
\$ 607,788	Short-term debt
Accounts receivable	\$ 727,273
474,711	Accounts payable
Prepaid expenses	258,959
276,501	Accrued liabilities
Inventory	2,461,708
2,910,407	Deferred revenue
Other current assets	-
-	Customer deposit
Total current assets	-
4,269,407	Other current liabilities
Property and equipment, net	92,009
134,253	Total current liabilities
Intangible assets, net	3,539,948
-	Long-term debt
Deposits	787,879
-	L/T Notes Payable
Other non-current assets	5,498,528
74,230	Total liabilities
Total assets	9,826,355
\$ 4,477,890	<b>Shareholder equity</b>
	Stock
	45,063
	Additional paid-in capital
	20,468,352
	Retained earnings
	(25,783,128)
	CTA
	(78,752)
	Total shareholder equity
	(5,348,464)
	Total liabilities and equity
	\$ 4,477,890

**EXHIBIT E**

**Publicly Held Securities**

As required under Local Bankruptcy Rule 1007-2(a)(7), the Debtors have no publicly held securities.

**EXHIBIT F**

**Property Not In Debtor's Possession**

As required under Local Bankruptcy Rule 1007-2(a)(8), the Debtors provide the below list of all of the Debtors' property in the possession of custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or any agent for such entity.

<b>Premises/Landlord</b>	<b>Security Deposit</b>
2005 De La Cruz Boulevard, Suites 111 & 120 Santa Clara, California 95050	\$9,500.00 USD
Prema Gardenia First and Third Floors No. 357/6 First Cross Road, First Block Jayanagar, Bangalore India 560070	\$38,700.00 USD

**EXHIBIT G**

**Debtor's Premises**

As required under Local Bankruptcy Rule 1007-2(a)(9), the following lists the premises owned, leased or held under other arrangement from which the Debtors operate their business as of the Petition Date.

<b>Property Address</b>	<b>City</b>	<b>State</b>	<b>ZIP Code</b>	<b>Country</b>	<b>Description</b>
28 Liberty Street	New York	NY	10005	United States	Registered Agent Service Agreement.
2005 De La Cruz Boulevard Suite 111	Santa Clara	CA	95050	United States	Office (Utilized Pursuant to Lease Agreement for Office Full Service)
2005 De La Cruz Boulevard Suite 120	Santa Clara	CA	95050	United States	Office (Utilized Pursuant to Lease Agreement for Office Full Service)
34505 W. Twelve Mile Road Suite 170	Farmington Hills	MI	48331	United States	Office (Utilized Pursuant to Lease)
Prema Gardenia First Floor Property Bearing No. 357/6 First Cross Road First Block Jayanagar	Bangalore		560 011	India	Office (Utilized Pursuant to Lease Agreement)

Prema Gardenia Third Floor Property Bearing No. 357/6 First Cross Road First Block Jayanagar	Bangalore		560 011	India	Office (Utilized Pursuant to Lease Agreement)
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**EXHIBIT H**

**Location of Debtors' Substantial Assets and Books and Records,  
and Nature and Location of Debtors' Assets Outside of the United States**

As required under Local Bankruptcy Rule 1007-2(a)(10), the following lists the location of the Debtors' substantial assets, the location of their books and records, and the nature, location and value of any assets held by the Debtors outside the territorial limits of the United States.

Location of Debtors' substantial assets:

<b>Debtor Entity</b>	<b>Description of Asset</b>	<b>Location of Asset</b>
VTES, Inc.	Bank Account	Bank of America New York
Savari, Inc.	Bank Account	Silicon Valley Bank Santa Clara, California
Savari, Inc.	Inventory	Santa Clara, California
Savari, Inc.	Inventory	Mexico
Savari, Inc.	Computers and Monitors	Santa Clara, CA 95050, USA
Savari Systems Pvt. Ltd.	Bank Account	Citibank Bangalore, India
Savari Systems Pvt. Ltd.	Bank Account	ICICI Bank Bangalore, India
Savari Systems Pvt. Ltd.	Miscellaneous Computer and Office Assets	Bangalore, India

Books and records for Debtors VTES, Inc. and Savari, Inc. are located at 2005 De La Cruz Boulevard, Suite 111, Santa Clara, CA 95050.

Books and records for Debtor Savari Systems Pvt. Ltd. are located at No. 357/6, Prema Gardenia, 1 Cross, Jayanagar 1<sup>st</sup> Block, Bangalore, India.

Nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States:

<b>Debtor Entity</b>	<b>Description of Asset</b>	<b>Location of Asset</b>	<b>Value of Asset</b>
Savari, Inc.	Inventory	Mexico	\$1,819,268.24
Savari Systems Pvt. Ltd.	Bank Account	Citibank Bangalore, India	\$10,237.00
Savari Systems Pvt. Ltd.	Bank Account	ICICI Bank Bangalore, India	\$25,650.00
Savari Systems Pvt. Ltd.	Miscellaneous Computer and Office Assets	Bangalore, India	\$33,542.00

**EXHIBIT I**

**Summary of Litigation Actions or Proceedings**

As required under Local Bankruptcy Rule 1007-2(a)(11), the Debtors have no knowledge of any pending or threatened litigation.

**EXHIBIT J**

**Senior Management of the Debtor**

Pursuant to Local Bankruptcy Rule 1007-2(a)(12), the following lists the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

Director/Officer	Position	Tenure	Responsibilities & Experience
Ravi Puvvala	Chief Executive Officer	January 2008 to present	<p>Mr. Puvvala is the founder and Chief Executive officer for Savari, Inc. and all of its subsidiary entities.</p> <p>Prior to founding Savari, Mr. Puvvala served as the Chief Executive Officer and Chief Technical Officer at Arada Systems, and the Chief Executive Officer at Zazu systems.</p> <p>Mr. Puvvala has 30 years of experience and received his BS at Bangalore University in India and his MS from Arizona State University.</p>
Paul Sakomoto	Chief Operating Officer	April 2014 to present	<p>Mr. Sakomoto serves as the Chief Operating Officer for Savari, Inc. and all of its subsidiary entities.</p> <p>Prior to his tenure at Savari, Inc. Mr. Sakomoto held the positions of Vice President and General Manager for the Instruments Division of DCT Systems (now Thermo Fisher).</p> <p>Mr. Sakomoto has 43 years of experience and received his BSEE/CE from Oregon State University.</p>

Spencer Rosen	Vice President of Business Development	June 2020 to present	<p>Mr. Rosen serves as the Vice President of Business Development at Savari, Inc., where he leads sales and business development for automotive OEM, and manages the global business development team across the US, China, South Korea and German entities of Savari, Inc.</p> <p>Prior to joining Savari, Inc. Mr. Rosen held the role of Director for Global Business Development for Zendrive.</p> <p>Mr. Rosen has over 20 years of experience and received his BA from University of Wisconsin-Madison and his MBA from the Rotterdam School of Management at Erasmus University.</p>
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**EXHIBIT K**

**Estimated Payroll for the Thirty (30) Day Period After Filing**

Pursuant to Local Bankruptcy Rules 1007-2(b)(1) – (2)(A), the following lists information relating to (i) payroll to non-insider Debtor employees, and (ii) estimated amounts to be paid to officers, equity holders, directors, and financial and business consultants retained by the Debtors for the thirty (30) day period following the filing of their chapter 11 petitions.

Payments	Payment Amounts
Estimated amount of payroll to the employees (exclusive of officers, directors, and stockholders) <sup>1,2</sup>	Wk 1 – US: \$62,000.00 Wk1 – India: \$65,000.00 <u>Wk3 – US: \$66,000.00</u> Total: \$193,000.00
Estimated amount proposed to be paid to officers, stockholders, and directors <sup>2</sup>	Wk 1 – US: \$18,000.00 Wk1 – India: \$ 7,500.00 <u>Wk3 – US: \$19,000.00</u> Total: \$ 44,500.00
Estimated amount proposed to financial and business consultants retained by the Debtors	Financial Advisor: \$40,000.00 Claims/Noticing Agent: \$36,000.00 <sup>3</sup> <u>CFO Services: \$ 8,000.00</u> Total: \$84,000.00

<sup>1</sup> Excludes “Insiders” as defined under section 503(c) of the Bankruptcy Code, i.e. none of these persons: (a) participate in the management of the Debtors; (b) have decision-making authority with respect to policies of the Debtors; (c) report directly to the Debtors’ board of directors; (d) were appointed by the Debtors’ board of directors; (e) qualify as an Insider under Rule 16a-1(f) of the Securities Exchange Act; (f) undertake budgetary control over the Debtors’ business operations; (g) are compensated in the form of equity in the Debtors; and (h) are relatives of any Insider of the Debtors.

<sup>2</sup> Includes wages/salaries only.

<sup>3</sup> The claims/noticing agent amount includes \$16,000.00 of publication expense.

**EXHIBIT L**

**Estimated Receipts and Disbursements for the Thirty (30) Day Period After Filing**

Pursuant to Local Bankruptcy Rules 1007-2(b)(3) the following provides a schedule of estimated cash receipts and disbursements, net gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, for the thirty (30) day period following the filing of their chapter 11 petitions.

<b>Type</b>	<b>Amount</b>
Estimated Cash Receipts	\$ 569,000.00 <sup>1</sup>
Estimated Cash Disbursements	\$332,000.00 <sup>2</sup>
Net Cash Gain (Loss)	\$213,000.00
Accrued-Unpaid Obligations	\$233,300.00 <sup>3</sup>
Accrued-Unpaid Receivables	\$81,500.00

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<sup>1</sup> Includes advances under the DIP loan.

<sup>2</sup> Operating expenses per the DIP budget.

<sup>3</sup> Includes payroll amounts accrued and earned in January and payable at the end of the January.