IN THE UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF TEXAS AUSTIN DIVISION

In re

XTREME POWER INC., XTREME POWER SYSTEMS, LLC, and XTREME POWER GROVE, LLC, Jointly Administered Debtors. CASE No. 14-10096 CASE No. 14-10095 CASE No. 14-10097 CHAPTER 11 (Jointly Administered Under CASE NO. 14-10096)

DYNAPOWER COMPANY, LLC'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY, AND JOINDER TO FIRST WIND HOLDINGS, LLC'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY

Dynapower Company, LLC for itself and its subsidiaries and affiliates (collectively "Dynapower") files this *Motion for Relief from the Automatic Stay* (the "Motion") pursuant to Section 362 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Local Rule 4001 of the Local Rules of the United States Bankruptcy Court for the Western District of Texas. In addition, Dynapower joins in support of First Wind Holdings, LLC's Motion for Relief from the Automatic Stay [Doc. 749].

I. Jurisdiction and Venue

- 1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334.
 - 2. This Motion is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
- 3. This Court is the appropriate venue for hearing this Motion under 28 U.S.C. §§ 1408, 1409.

4. The legal predicate for the relief requested in this Motion is Section 362 of the Bankruptcy Code, Bankruptcy Rules 4001 and 9014 and Local Rule 4001.

II. Summary

- 5. Dynapower requests relief from the automatic stay to: (1) allow Dynapower to liquidate its "2012 Fire Claims" against the Debtors¹; (2) permit Dynapower to satisfy such liquidated claims (in whole or in part) from the proceeds of the Debtors' applicable insurance policies; and (3) permit Dynapower to seek contribution and indemnity from the proceeds of the Debtors' applicable insurance policies, if any party sues Dynapower related to the 2012 Kahuku Fire.
- 6. The automatic stay likely does not apply to prevent Dynapower from pursuing the proceeds of the insurance policies, as such proceeds are not property of the Debtors' estates. However, Dynapower cannot pursue such proceeds without first liquidating its claims through judgment or settlement. Any recovery by Dynapower of insurance proceeds will reduce its claims against the estates dollar-for-dollar, and thus is in the best interests of the Debtors' other creditors. Thus, Dynapower respectfully submits that cause exists for lifting the automatic stay.
- 7. Although insurance policies may be property of a debtor's estate, the proceeds from such policies generally are not. The test to determine whether the proceeds of an insurance policy is property of the estate is whether the debtor would have a right to receive and keep those proceeds if the insurer pays on a claim. Pursuant to the terms of the Debtors' insurance policies, Dynapower, as the injured party (and not the Debtors), would have a right to the proceeds upon any payment on a claim under the insurance policies.

¹ See, Dynapower Proof of Claim filed in Case No. 1410095 (XPS), Claim No. 58, for \$132,183.08 in damages for costs incurred in connection with the 2012 Kahuku Fire (the "2012 Fire Claims").

8. In order to fully liquidate Dynapower's Claims, Dynapower must first obtain a judgment against the Debtors in an appropriate forum. Dynapower's claims would be prosecuted against the Debtors and the Debtors' insurers if they fail to pay any adverse judgment against or satisfy any appropriate settlement with the Debtors. Prosecution of Dynapower's Claims against the Debtors and application of available coverage to those claims fosters the goals of judicial economy, the expeditious and economical resolution of the litigation, and the expeditious and economical resolution of the Debtors' bankruptcy case. Dynapower's rights in and to the proceeds of the insurance policies and the need to liquidate Dynapower's claims also constitutes cause for relief from the automatic stay under 11 U.S.C. § 362(d).

III. Factual Background

- 9. Dynapower is the world's leading independent manufacturer of custom power conversion equipment. Dynapower designs and manufactures AC and DC power supplies and custom transformers. Dynapower's product scope includes integrated systems from 10 kilowatts to 50 megawatts.
- 10. On August 1, 2012, a catastrophic fire destroyed the entire battery energy storage system ("BESS") at the Kahuku Wind Power Project (the "2012 Kahuku Fire"). One or more of the Debtors designed, manufactured, installed, operated and serviced the BESS, including the batteries and related systems at the Kahuku facility. The Debtors agreed to perform a root cause analysis ("RCA") for the Kahuku Fire. According to the Debtors, the Debtors' corporate functions and their assets and liabilities are as follows:

a. XPI

XPI is the corporate parent to both XPS and XPG, and furnished almost all of the capital utilized by its subsidiaries to acquire, develop and then utilize its developed product. XPI, in furnishing this capital, accrued on its books approximately \$72 million in an inter-corporate receivable from XPS and

approximately \$28 million inter-corporate receivable due from XPG. From time to time XPI would receive title and ownership of the underlying patents obtained from the work on XPS, and hold such title while XPS continued to utilize the patents in its operations. XPI's assets thus consist primarily of (i) the owned patents; (ii) the inter-corporate accounts receivables (sic) and (iii) the stock of its two subsidiaries. In so far as it liabilities, XPI did not have ongoing operations or employees working directly on XPI day to day business and thus has no trade or vendor debt.

b. XPS

XPS was the development and operating subsidiary and the recipient of most of [t]he raised XPI capital, generating the \$72 million account payable to XPI. XPS operated its business in Kyle, Texas where it developed, produced, and maintained the patents and significant other software proprietary trade secrets, and operated the various projects, including the XACT system primarily used in the projects developed and completed by XPS, including Duke Notrees, First Wind Hawaii, and six other lead acid battery projects. In addition to the software and proprietary trade secrets, XPS owned all of the "hard" assets used in its business, including the physical plant at Kyle, Texas, certain lease rights, and employed all of the personnel and staff used to develop the patented and proprietary trade secrets, and to construct, and operate the project sites.

c. XPG

XPG was the battery-manufacturing subsidiary producing the lead acid batteries used in the XPS project sites. XPG operated the Grove Oklahoma leased site to produce the lead acid batteries utilizing Horizon Battery patented and related processes to produce batteries at the Horizon Battery leased plant.

Debtors' Mot. for Entry of Sched. Order for Process to Det. the Allocation of Sale Proceeds as Among the Debtors and Alt. Mot. for Substantive Consolidation of Debtors' Estates and Granting Related Relief [Doc. 549] (the "Allocation Motion") ¶ 10 (a)-(c).

- Dynapower asserts that the Debtors' BESS and related parts and/or services were responsible for the 2012 Kahuku Fire that destroyed the Kahuku Wind Power Project, causing Dynapower \$132,183.08 in damages. In addition, Dynapower will suffer more damages if any party sues Dynapower related to the 2012 Kahuku Fire.
- 12. Based on the Debtors' production of its Liability Policies, including the Chartis Policies, at least two more of the Debtors' Liability Policies may provide coverage relevant to Dynapower's Claims: (i) the Commercial Excess and Umbrella Insurance issued by Chubb

Group of Insurance Companies, Policy Number 9364-14-33, including the renewal thereof (the "Umbrella Policy") and (ii) the Liability Insurance, comprising part of the Debtors' "Commercial Package" Insurance, issued by Chubb Group of Insurance Companies, Policy Number 3593-34-25-DAL (the "Liability Insurance" together, with the Umbrella Policy, the "Chubb Policies"). A schedule of the Liability Policies that are the subject of this Motion is attached as Exhibit "B" to First Wind's Motion for Relief from the Automatic Stay [Doc. 749]. Each of the Liability Policies contains similar language requiring the Insurers to pay only after a Debtor becomes legally obligated to pay.

IV. Arguments and Authorities

- 13. Dynapower requests that the automatic stay be lifted to allow Dynapower to liquidate its Claims, to obtain a judgment against the Debtors in an appropriate proceeding, and to apply the proceeds available under the Liability Policies to Dynapower's liquidated claim. Dynapower also requests that the stay be lifted to allow any agreed resolution with any insurance carrier to be consummated without any further action by or approval of this Court. In addition, Dynapower seeks contribution and indemnity from the proceeds of the Debtors' applicable insurance policies, if any party sues Dynapower related to the 2012 Kahuku Fire.
- 14. The automatic stay does not apply to prevent Dynapower from pursuing the proceeds of the Liability Policies. *See, e.g., Collins v. Sydow (In re NC12, Inc.)*, 478 B.R. 820, 837 (Bankr. S.D. Tex. 2012). However, joining the Debtors as parties to such an action and liquidating claims against the Debtors does implicate the automatic stay.
- 15. The imposition of the automatic stay is not absolute and Section 362 of the Bankruptcy Code provides an avenue for parties to seek relief therefrom:

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay —

(a) for cause . . .

11 U.S.C. § 362(d). The Bankruptcy Code does not define the phrase, "for cause," in this context. While "cause" is not defined in the Bankruptcy Code, allowing a matter to proceed in another forum may constitute "cause" under certain circumstances. *In re Young*, No. 06-80397-G3-7, 2006 WL 3088225, at *2 (Oct. 20, 2006); *In re Murray Indus., Inc.*, 121 B.R. 635 (Bankr. M.D. Fla. 1990). A bankruptcy court has authority to lift the automatic stay to permit litigation to proceed in a non-bankruptcy forum for "cause," as determined on a case-by-case basis. *See In re S.H. Leggitt Co.,* No. 10-10279-HCM, 2011 WL 1376772, at *4 (Bankr. W.D. Tex. Apr. 12, 2011) (in which this Court concluded that automatic stay should be lifted). Factors to be considered are judicial economy, expeditious and economical resolution of the litigation, comity, jurisdiction, and balancing of the harm between the parties. *See, Leggitt,* Bankr. LEX1S 1366 at *12. To the extent the automatic stay is applicable to the relief requested by Dynapower, each factor weighs heavily in favor of granting Dynapower limited relief from the automatic stay. Allowing Dynapower in effect to pursue the Debtors' Liability Policies' proceeds in order to fix the Debtors' liability and liquidate Dynapower's Claims constitutes "cause."

16. Section 541 of the Bankruptcy Code defines property included within the bankruptcy estate to include "all legal and equitable interests of the debtor in property as of the commencement of the case" and "proceeds . . . of or from property of the estate." 11 U.S.C. § 541(a)(1) and (6). Section 541 is read broadly and is interpreted to "include all kinds of property, including tangible or intangible property, causes of action . . . and all other forms of property currently specified in section 70a of the Bankruptcy Act." *United States v. Whiting*

Pools, Inc., 462 U.S. 198, 204-05 & n.9, 103 S. Ct. 2309, 2313 & n.9, 76 L. Ed. 2d 515 (1983). An insurance policy owned by a debtor generally is considered property of the estate. *See, e.g., In re: Edgeworth,* 993 F.2d 51, 55 & n.13 (5th Cir. 1993). However, whether the proceeds of a particular insurance policy are property of the estate depends on whether a payment by the insurer inures to the benefit of the injured party, and not to the debtor's pecuniary benefit. *Id.* at 55-56. If so, then the debtor has no legally cognizable claim to the insurance proceeds, and those proceeds are not property of the estate. *Id.*

17. Four cases in the Fifth Circuit have addressed this question: (1) Sosebee v. Steadfast Ins. Co., 701 F.3d 1012, 1023 (5th Cir. 2012); (2) Equinox Oil Co. v. Official Unsecured Creditor's Comm. (In re Equinox Oil Co.), 300 F.3d 614, 618-619 (5th Cir. 2002); (3) In re: Edgeworth, 993 F.2d 51, 55 & n.13 (5th Cir. 1993); and (4) In re: Louisiana World Exposition, Inc., 832 F.2d 1391(5th Cir. 1987). These cases are consistent with Dynapower's arguments. In Sosebee, the Court held that the proceeds of general liability policies are not property of the estate absent facts evidencing a "mass tort" exception to such rule. Sosebee, 701 F.3d at 1023. A similar situation was addressed in *Edgeworth*, which involved ownership of proceeds of a medical malpractice insurance policy. Edgeworth, 993 F.2d at 51. A plaintiff sued for medical malpractice seeking recovery from the debtor's insurance carrier after the debtor (the insured under the policy) had been discharged. Id. The question was whether the discharge acted to bar the suit if the plaintiff agreed to foreswear recovery from the debtor personally and to look only to the policy proceeds. Id. at 54. Finding that release of the debtor did not affect the liability of the insurer, the court concluded the insurance proceeds were not property of the estate, stating:

The overriding question when determining whether proceeds are property of the estate is whether the debtor would have a right to receive and keep those proceeds

when the insurer paid on a claim. When a payment by the insurer cannot inure to the debtor's pecuniary benefit, then that payment should neither enhance nor decrease the bankruptcy estate. In other words, when the debtor has no legally cognizable claim to the insurance proceeds, those proceeds are not property of the estate.

Id. at 55-56.

- 18. Similarly, in *Louisiana World Exposition*, the Fifth Circuit held that the proceeds of a directors and officers liability policy were not part of the debtor's bankruptcy estate even though the policies also provided indemnification to the debtor to the extent it might be required to indemnify the directors or officers for such legal expense or liability. *Louisiana World Exposition*, 832 F.2d at 1400-02. The Court concluded that the debtor had no ownership interest in the proceeds of the liability coverage as the obligation of the insurance companies was to the directors and officers. *Id.*
- 19. By contrast, in *Equinox*, the Court determined whether proceeds of the debtor's oil and gas well-control insurance policy were property of the estate. *Equinox*, 300 F.3d at 614. The debtor was an oil and gas well operator, and one of its wells experienced a blowout. *Id.* Equinox hired certain contractors to help remediate the well. *Id.* at 616-617. Equinox made a claim against its fire insurance policy, and partially settled the claim for several hundred thousand dollars. *Id.* Equinox had paid some, but not all, of the debts owed to the remediation contractors at the time the petition for relief was entered in its involuntary bankruptcy. *Id.* In concluding that the fire insurance proceeds were property of the estate, the Court found that the debtor had the right to receive payment for its losses related to well blowouts, not the remediation contractors. *Id.* at 619. Unlike the situation before this Court, the particular insurance policy before the Court in *Equinox* provided coverage for "losses of the bankrupt corporation itself" to reimburse it for expenses incurred in relation to well blowouts, including

costs to extinguish fires and regain control of the well. Id. The remediation creditors had no rights to receive any payment under the policy. Id. These authorities demonstrate that the proceeds of the Liability Policies that are the subject of this Motion are not property of the Debtors' estates. In Sosebee, the Court examined whether a claimant who alleged it was entitled to the benefit of the proceeds of one of the debtor's liability insurance policies was barred or otherwise stayed from pursuing such proceedings during the pendency of the debtor's bankruptcy. Sosebee, 701 F.3d at 1023-1024. The Court stated "[t]he question is not who owns the policies, but who owns the liability proceeds . . . " Sosebee, 701 F.3d at 1023-24. The Court found that under liability policies, the debtor does not have a "cognizable interest" in the proceeds; rather "[t]hose proceeds will normally be payable only for the benefit of those harmed by the debtor under the terms of the insurance contract." Id. The only exception to this rule is "in the limited instance of a mass tort action where hundreds or thousands of claims against the debtor's insurer might exhaust insurance proceeds and thus threaten the debtor's estate over and above limits of liability insurance policies, have courts held the proceeds of liability insurance policies are property of the bankruptcy estate." *Id.* (quoting *In re Sfuzzi*, *Inc.*, 191 B.R. 664, 666 (Bankr. N.D. Tex. 1996)). The Court, in Sosebee, based its ruling that the liability insurance proceeds were not property of the estate principally on the fact that there was no evidence that numerous tort claims threatened the debtor's liability insurance, nor was there evidence that the insurer should have been protected from a siege of tort claims. *Id.*

20. As in *Sosebee*, the Debtors' Schedules and Statements of Financial Affairs and Debtors' representations in various pleadings make clear that the vast majority of claims against the Debtors' estates relate to trade debt, professionals, and the Debtors' investors or lenders. *See*, Docket Nos. 160, 162, 164 & 549. A review of the proofs of claim supports the same

conclusion. Finally, the Debtors' own responses to the Rule 2004 subpoena establish that there are no claims (made or threatened) to the Liability Policies or proceeds that are the subject of this Motion, other than those made by Dynapower and First Wind. There is no legal basis to assert that the proceeds of the relevant Debtors' Liability Policies are property of the Debtors' estates. Dynapower should be permitted to pursue such proceeds.

- 21. If relief from the automatic stay is required for this purpose, the Court also should lift the stay to allow Dynapower to enforce any judgment in its favor directly against the Debtors' insurers and/or to consummate any settlement reached with any of the Debtors' insurers. The Chartis Policies and the Chubb Policies contain a "direct action" provision which authorizes any party to sue the insurer "to recover on an agreed settlement or on a final judgment against an insured."²
- Dynapower's right to direct action applies after Dynapower has either settled or been awarded a final judgment against one or more of the Debtors. *See, e.g., Josma v Interboro Ins. Co.*, 2011 N.Y. Misc. LEXIS 4693, 4-5 (N.Y. Sup. Ct. Sept. 27, 2011) (holding that a judgment is a statutory condition precedent to a direct suit against a tortfeasor's insurer under New York law); *Jun v. Lloyds and Other Various Insurers*, 37 S.W. 3d 59, 63 (Tex. App. 2000) (holding that a plaintiff may bring a direct action against an insurer when the liability of an insured has been established by judgment or written agreement). Neither the policy nor applicable law ordinarily allows Dynapower to pursue the Insurers directly for the Debtors'

² Chartis Ins. Policy No. 11818694 (CGL/PLL) at p. 29 of 46, Condition 3 "Legal Action Against Us." Although the Chartis Ins. Policy No. 11818784 (Excess) does not expressly contain this same provision, it does incorporate "any applicable Conditions in the underlying insurance." *See*, Chubb Ins. Policy No. 9364-1433 (2013 Umbrella) at p. 22 of 32, "Legal Action Against Us" (substantially same); Chubb Commercial Package Policy No. 3593-34-25 DAL (Liability) at p. 21 of 32, "Legal Action Against Us" (substantially same); Chubb Policy No. 3593-34-25 DAL at p. 22 of 32 "Legal Action Against Us"; Chubb Policy No. 9364-14-33 at p. 22 of 32.

liabilities, without first fixing such liability.³ Dynapower acknowledges that the stay needs to be lifted to join the Debtors as parties to any action. However, this does not harm the Debtors because the liquidation of Dynapower's Claims must take place.⁴ If it is established that one or more of the Debtors are liable, in whole or in part, and there is liability insurance coverage, the Insurer will pay Dynapower directly. In this way, the bankruptcy estates will be benefitted because recovery from the Insurers will result in a dollar for dollar reduction of any obligation on the part of the Debtors to compensate Dynapower for its damages in relation to the Claims. Recovery against the Insurers will reduce the sum total of claims for which the estates are or may be liable.

Dynapower has suffered damages as a result of the 2012 Kahuku Fire. Further, and as already stated herein, the Debtors' liability will have to be adjudicated. Dynapower, the Debtors, and the Debtors' estates benefit by adjudicating this liability as expeditiously as possible. Allowing Dynapower to proceed against the Debtors now, rather than later, hastens the process of liquidating Dynapower's Claims. If it is established that one or more of the Debtors are liable and there is liability insurance coverage, the bankruptcy estates benefit due to the reduction of any obligation on the part of the Debtors to compensate Dynapower for its damages in relation to the Claims.

³ Under both Texas and New York law, a Plaintiff generally may bring a direct action against an insurer when the liability of an insured has been established by judgment or written agreement. *See, Jun,* 37 S.W. 3d 59 at 63; *Josma,* 2011 N.Y. Misc. LEXIS 4693, at 4-5.

⁴ Absent an objection, the Claims filed by Dynapower will be deemed allowed.

V. Joining First Wind's Motion to Lift Stay

24. For all the reasons stated in First Wind's Motion for Relief from the Automatic Stay [Doc. 749], Dynapower joins in support of First Wind's Motion because it benefits the Debtors' estates.

VI. Conclusion

Dynapower seeks an order of the Court for relief from the automatic stay to: (1) allow Dynapower to liquidate its claims against the Debtors, and to pursue coverage for such liquidated claims under the Debtors' Liability Policies; (2) allow Dynapower to enter into any agreed resolution with any of the Debtors' insurance carriers, which resolution may include payment to Dynapower by one or more of such carriers without any further action by or approval of this Court; (3) allow Dynapower to seek contribution and indemnity from the proceeds of the Debtors' applicable insurance policies, if any party sues Dynapower related to the 2012 Kahuku Fire; and (4) allow Dynapower any such other and further relief, at law or in equity, to which Dynapower may justly be entitled.

Respectfully submitted,

THOMPSON, COE, COUSINS & IRONS, LLP

By: /s/ Jesse B. Butler

Jesse B. Butler State Bar No. 24043585 701 Brazos, Suite 1500 Austin, Texas 78701 512) 703-5081 Phone (512) 708-8777 Fax

E-Mail: jbutler@thompsoncoe.com

ATTORNEYS FOR CREDITOR DYNAPOWER COMPANY, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded to all counsel and parties of record, listed on the Debtors' master list, by first class mail, postage prepaid, and served electronically upon those parties registered to receive electronic notice via the Court's CM/ECF system on August 13, 2014.

/s/ Jesse B. Butler
Jesse B. Butler

SERVICE LIST

DEBTOR

Xtreme Power, Inc. et al. 1120 Goforth Rd. Kyle, TX 78640

COUNSEL FOR DEBTOR

Jordan, Hyden, Womble, Culbreth & Holzer, P.C.

Shelby A. Jordan 100 Congress Ave., Suite 2109 Austin, TX 78701 Ph: (361) 884-5678

Fax: (361) 888-5555

Email: sjordan@jhwclaw.com

Nathaniel Peter Holzer 500 North Shoreline Blvd., Suite 900 Corpus Christi, TX 78401-0341

Ph: (361) 884-5678 Fax: (361) 888-5555

Email: pholzer@jhwclaw.com

Antonio Ortiz 1534 E. 6th Street, Suite 104 Brownsville, TX 78520 Ph: (956) 542-1161

Fax: (956) 542-0051 Email: aortiz@jhwclaw.com

SPECIAL COUNSEL FOR DEBTOR

Baker Botts, LLP

Steve Tyndall 98 San Jacinto Blvd., Suite 1500 Austin, TX 78701-4078 Ph: (512) 322-2500 Fax: (512) 322-2501

Email: steve.tyndall@bakerbotts.com

James R. Prince Omar Alaniz 2001 Ross Avenue Dallas, Texas 75201-2980 Ph: (214) 953-6500

Fax: (214) 661-6503 Email: jim.prince@bakerbotts.com

bmail: jim.prince@bakerbotts.com omar.alaniz@bakerbotts.com

UNITED STATES TRUSTEE

Deborah A. Bynum Office of the U.S. Trustee 903 San Jacinto Blvd., Room 230 Austin, TX 78701

Ph: (512) 916-5328 Fax: (512) 916-5331

FINANCIAL ADVISOR TO THE DEBTORS

Peter S. Kaufman David Herman Gordian Group 950 Third Avenue, 17th Floor New York, NY 10022-2767 Ph: (212) 486-3600

Fin. (212) 480-3000

Email: psk@gordiangroup.com dh@gordiangroup.com

GOVERNMENTAL AGENCIES

Internal Revenue Service Centralized Insolvency Operations P. O. Box 7346 Philadelphia, PA 19101-7346 Texas Workforce Commission Bankruptcy Unit, Room 556 101 E. 15th Street Austin, TX 78778-0001 Texas Comptroller of Public Accounts Bankruptcy Section P. O. Box 13528 Austin, TX 78711-3528

Securities and Exchange Commission Fort Worth Regional Office Burnett Plaza, Suite 1900 801 Cherry Street, Unit 18 Fort Worth, TX 76102-6882

COMMITTEE OF UNSECURED CREDITORS

Eric J. Taube
Mark C. Taylor
Morris D. Weiss
Cleveland R. Burk
Hohmann, Taube & Summers, LLP
100 Congress Avenue, 18th Floor

Austin, TX 78701 Ph: 512-472-5997 Fax: 512-472-5248

Email: erict@hts-law.com

markt@hts-law.com morrisw@hts-law.com cleveb@hts=law.com

Counsel for the Committee of Unsecured Creditors

Ineterim Chair:

Margaret M. McKay Toshiba International Corporation 13131 West Little York Road Houston, Tx 77041 Ph: 713-466-0277 Ext 3810 Fax: 713-896-5251

Margaret.mckay@tic.toshiba.com

Member:

Robert J. Bruckman Dynapower Company, LLC 85 Meadowland Dr S. Burlington, VT 05401 Ph: 802-652-1333 Fax: 801-652-1377

bbruckman@dynapower.com

Committee Of Unsecured Creditors cont'd

Member:

Michelle Romonek Control Panels, USA 16310 Bratton Lane Building 1, Suite. 100 Austin, TX 78728

Ph: 512-863-3224 Fax: 512-866-5446

Email: mromonek@controlpanelsusa.net

XTREME POWER, INC'S SECURED CREDITORS

Austin Police Retirement System 2520 South IH 35, Suite 100 Austin, TX 78704-5747

Bessemer Venture Partners VII, LP BVP VII Special Opportunity Fund, LP 1865 Palmer Avenue, Suite 104 BP Alternative Energy International Ltd 1 St. James' Square London, UK SW1Y, 4PD

Breen, Michael 1804 Nickerson Street Austin, TX 78704-3547 Richard D. Harding 20 West 86th Street, Apt 12A New York, NY 10024-3604

Larchmont, NY 10538-3037

Jared Joseph Dermont Moelis & Company 399 Park Avenue, 5th Floor New York, NY 10022-4416

Dominion Energy Technologies II, Inc 120 Tredegar Street Barak Klein 11 Hotel Drive White Plains, NY 10605-3530

Vincent S. Lima 46 Oxbow Lane Summit, NJ 07901-2116

ISP Holdings, Inc. 11 Lambs Lane Cresskill, NJ 07626-2249

Richmond, YA 23219-4309

Louisiana Stability Fund, LP 3161 Michelson Drive, Suite 750 Irvine, CA 92612-4432 The Moelis Family Trust 1112 Schuyler Road Beverly Hills, CA 90210-2537

Silicon Valley Bank Attn: Brad Miller 3003 Tasman Drive, HF150 Santa Clara, CA 95054-1191 Raich Trust dated September 17, 2001 1058 Napoli Drive

Pacific Palisades, CA 90272-4038

Mahmoodzadegan-Gappy Trust 1064 Amalfi Drive Pacific Palisades, CA 90272-4028

Steven and Joan Panagos (JTIC) 1129 Sasco Hill Road Fairfield, CT 06824-6346 Trust of Sash and Cmdy Rentala 9 Harding Drive Rye, NY 10580-1312 Yadin Rozov 1 Anchor Drive Rye, NY 10580-1001

Christopher Ryan 46 Alpme Road Greenwich, CT 06830-3435 Gregory Martin Share Moelis & Company 399 Park Avenue, 5th Floor New York, NY 10022-4416 The Dow Chemical Company Attn: Kevin McElgunn 2020 Dow Center Midland, MI 48674 -2020

Xtreme Power, Inc's Secured Creditors cont'd

Langara Capital Partners, Ltd Attn: Dmitry Tomkin c/o Apex Fund Services (Cayman) Governor's Square P. O. Box MP10085 West Bay, Grand Cayman, Cayman Is. KY1-1001 Horizon Technology Finance Corp. Robert D. Pomeroy, Jr., CEO 312 Farmington Avenue Farmington, CT 06032-1913

SAIL 2010 Co-Investment Partners, LP
SAIL Defense Fund, LLC
SAIL Sustainable Louisiana I, LP
SAIL Sustainable Louisiana II, LP
SAIL Venture Partners II, LP
SAIL Xtreme APRS Fund LP
SAIL Xtreme SB Co-Investment
Partners, LP
SVP II Xtreme Power Joint Venture
Fund, LP

3161 Michelson Drive, Suite 750

XTREME POWER SYSTEMS, LLC'S SECURIED CREDITORS

Hays Central Appraisal District 21001 North IH 35 Kyle, TX 78640-4745

Attn: Hank Habicht

Irvine, CA 92612-4432

Travis County Tax Office P. O .Box 149328 Austin, TX 78714-9328 Wells Fargo Equipment Finance 300 Tri State International Suite 400 Lincolnshire, IL 60069-4417

Hays County Tax Assessor Luanne Caraway Tax Assessor/Collector 102 N. LBJ Dr. San Marcos, TX 78666-5691

Zuniga Investment Partners, Ltd 1460 E. Whitestone Blvd, Suite 101 Cedar Park, TX 78613-2275

XTREME POWER INC.'S TOP 20 UNSECURED CREDITORS

Arnel Investments III, LP 949 South Coast Drive, Suite 600 Costa Mesa, CA 92626 Pendleton Capital Partners, LLC Wild Rose Irrevocable Trust est 12/18/08 Attn: Chris Zaharas 1725 S. Country Club Dr.

Mesa, AZ 85210-6003

Amabro Investments Ltd. Geneva Place Waterfront Dr. P.O. Box 3469 Roadtown British Virgin Islands Spring Ventures, LLC 912 Cole St., #385 San Francisco, CA 94117-4316

Xtreme Power Inc.'s Top 20 Unsecured Creditors cont'd

U S Department of Energy 1000 Independence Ave. Washington, DC 20585-0002

Horizon Batteries, LLC Attn: John R. Bailey 500 Legacy Drive, Ste 470 Plano, TX 75024-5023 Christensen Limited Liability Limited Partnership Attn: Aimee Christensen P. O. Box 4089 Ketchum, ID 83340-4089 James P. Farwell 6126 St. Charles Avenue New Orleans, LA 70118-6764

Sangkook Peter Chin SKYLAKEUSA-THREE, LLC 25 Nonhyeon-ro-gil, Gangnam-gu (Dogok-dong 517-10, 4th Fl) Seoul, Republic of Korea 135-854

XTREME POWER SYSTEMS, LLC'S TOP 20 UNSECURED CREDITORS

American Express P. O. Box 650448 Dallas, TX 75265-0448 Chubb & Son P. O. Box 382001 Pittsburgh, PA 15250-8001

Corp P. O. Box 66468 Chicago, IL 60666-0468

First Insurance Funding

Bracewell & Giuliani, LLP P. O. Box 848566 Dallas TX 75284-8566

March Bruce Stratus Energy Group, LLC 1206 San Antonio St. Austin, TX 78701-1834 Fish & Richardson 111 Congress Ave. Suite 810 Austin, TX 78701-4057 Amphenol Nelson Dunn Technologies, Inc. R. Elizabeth Rani 11707 Valley View Ave Cerritos, CA 90703 Microvast Power Systems No 2198 Hongfeng Rd. Huzhou 313000 Zhejian China

Bender Electronics, Inc /Bender, Inc. P. O. Box 824805 Philadelphia, PA 19182-4805 ATS International Services, Inc P. O. Box 1450 Minneapolis, MN 55485-7130 Veronique Froding Gide Loyrette Nouel A.A.R.P.I. 22-26 cours Albert ler 75008 Paris France Washington Media Group, Inc. Kelly Crosby 525 9th Street NW Suite 800 Washington, DC 20004-2147

Blue Cross Blue Shield of Texas Healthcare Service Corp. P. O. Box 731428 Dallas, TX 75373-1428 Epicor Software Corporation 804 Las Cimas Hwy Kyle, TX 78746-5150 Ken Glasgow Humanetics II LTD 1700 Columbian Club Dr. Carrollton, TX 75006-5534

XTREME POWER GROVE, LLC'S SECURED CREDITORS

Bernice Sanitation, LLC P. O. Box 3753 Afton, OK 74331

Horizon Batteries- Real Estate, LLC 401 West Evergreen St. Durant, OK 74701-4743

Airgas P. O. Box 676015 Dallas, TX 75267-6015 Joplin Trailer Sales, Inc d/b/a Mobile Storage System 2430 Davis Blvd. Joplin, MO 64804-3223

North Texas Rural Services d/b/a RECTEC Technology P. O. Box 399 Vinita, OK 74301-0399

Grove Municipal Services Authority 104 West 3rd Grove, OK 74344-3201 Public Serv of Oklahoma P. O. Box 24421 Canton, OH 44701-4421

Clean Uniform Company Joplin P. O. Box 840140 Kansas City, MO 64184-0140

PARTIES REQUESTING NOTICE

Diane W. Sanders Linebarger Goggan Blair & Sampson, LLP Austin TX 78760-7428 Ph: (512)-447-6675 Fax: (512)-443-5114 Austinbankruptev@publica ns.com

For Hays CISD

David Escamilla
Travis County Attorney
Kay D. Brock
Assistant County Attorney
P. O. Box 1748
Austin TX 78767
Ph: (512) 854-9513
Fax: (512) 854-4804
kay.brock@co.travis.tx.us

For Travis County

Gina D. Shearer Langly LLP 901 Main Street, Suite 600 Dallas, TX 75202 Ph: (214)-722-7169 Fax: 214-722-7161 gshearer@lwllp.com

Counsel for Westchester Fire Insurance Company

Lee Gordon
McCreary, Veselka, Bragg &
Allen, PC
P. O. Box 1269
Round Rock, TX 78680
Ph: (512) 323-3200
Fax: (512) 323-3205
vcovington@mvbalaw.com,
Kmorriss@mvbalaw.com,
othercourts@mvbalaw.com

Counsel for The County of Hays, TX

Bankruptcy Administration GE Information Technology Solutions, Inc. F/D/B/A IKON Financial Services 1738 Bass Road P. O. Box 13708 Macon, GA 31208-3708 Ph: (800) 480-6513 Joseph G. Gibbons
White and Williams, LLP
1650 Market Street, Suite
1800
One Liberty Place
Philadelphia, PA 19103
One Liberty Place
Philadelphia, PA 19103
Ph: (215) 864-7074
Fax: (215) 789-7614
gibbonsj@whiteand
Williams.com

and

Seth E. Meisel
Streusand, Landon & Ozburn,
LLP
811 Barton Springs Road,
Suite 811
Austin, TX 78704
Ph: (512) 236-9905
Fax: (236-9904
meisel@slollp.com
Counsel for Westchester
Fire Insurance Company
and Insurance Company of
North America

Robert E Tarcza Walter H. Tarcza Tarcza & Associates, LLC 228 St Charles Ave. Suite 310 New Orleans, LA 70130 Ph: (504) 525 6696 Fax: (504) 525.6701 bobt@tglaw.net walter@tglaw.net

Counsel For City of Austin Police Retirement System

Sutherland Asbill & Brennan, LLP Attn: Mark D. Sherrill 700 Sixth St. NW Suite 700 Washington, DC 20001-3980 Ph: (202) 383 0100 Fax: (202) 637 3593 Marksherrill@sutherland.com

For KIUC Renewable Solutions Two, LLC

Parties Requesting Notice cont'd

Leo D. Plotkin Levy, Small & Lallas 815 Moraga Drive Los Angeles, CA 90049-1633

Ph: (310)-471-3000 Fax: (310)-471-7990 lplotkin@lsl-la.com

-and-

Michelle V. Larson Andrews Kurth, LLP 1717 Main Street, Suite 3700 Dallas, TX 75201-7301 Ph: (214) 659.4400 Fax: (214) 659.4401 michellelarson@andrewsku rth.com

Counsel For Silicon Valley Bank

Charles A. Dale K&L Gates, LLP State Street Financial Center One Lincoln Plaza Boston, MA 02111 Ph: (617)-261-3112 Fax: (617-261-3175 chaddale@klgates.com

-and-

A Lee Hogewood III K&L Gates, LLP 4350 Lassiter at North Hills Ave., Suite 300 Raleigh, NC 27609 Ph: (919)-743—306 Fax: (919)-516-2006 lee.hogewood@klgates.co m

Counsel For Horizon Technology Finance Corporation J. Michael Sutherland Carrington, Coleman, Sloman & Blumenthal, L.L.P. 901 Main Street, Suite 5500 Dallas, Texas 75202 Ph: (214) 855-3000 Fas: (214) 855-1333 msutherland@ccsb.com

-and-

Jim F. Spencer, Jr.
Watkins & Eager PLLC
400 East Capitol Street
Jackson, MS 39201
Ph: (601) 965-1900
Fax®601) 965-1901
jspencer@watkinseager.com

Counsel for Horizon Batteries, L.L.C., Idling Solutions, L.L.C., and Horizon Batteries Real Estate, L.L.C.

Richard J. Bernard Foley & Lardner LLP 90 Park Avenue New York, NY 10016 Ph: 212-338-3586 Fax: 212-687-2329 ebernard@foley.com

-and -

John A. Simon
Foley & Lardner LLP
500 Woodward Avenue, Suite
2700
Detroit, MI 48226
Ph: (313) 237-7100
Fax: (313) 234-2800
jsimon@foley.com
Counsel for Younicos, Inc.

Joseph M. Coleman Kane Russell Coleman & Logan PC 3700 Thanksgiving Tower 1601 Elm Street Dallas, TX 75201-7207 Ph: (214)-777-4200 Fax: (214)-777-4299 jcoleman@krcl.com

For Exponent Technologies, Inc.

John H. Maddock III McGuire Woods LLP One James Center 901 East Cary Street Richmond, VA 23219 Ph: 804-775-1000 Fax: 804-698-2186 jmaddock@mcguirewoods.co m

Counsel for Dominion Energy Technologies, II, Inc.

Hal F. Morris
Assistant Attorney General
Texas Attorney General's
Office
Bankruptcy Regulatory
Section
P O Box 12548
Austin, TX 78711-2548
Ph: (512)-463-2173
Fax: (512)-482-8341
Hal.morris@texasattomevgene
ral.gov

For The State of Texas, Acting by and through the Office of the Governor, Texas Emerging Technology Fund Kimberly A. Walsh Assistant Attorney General Bankruptcy & Collections Division P. O. Box 12548 Austin, TX 78711 Ph: (512) 475-4863 Fax: (512) 482-8341 kim.walsh@texasattorn eygeneral.com

Counsel for the Texas Workforce Commission

Kell C. Mercer Husch, Blackwell, LLP 111 Congress Avenue, Suite 1400 Austin, TX 78701 Ph: (512) 472-5456 Fax: (512) 479.1101 kell.mercer@huschblac kwell.com

Counsel for Gordian Group, LLC

Duane J. Brescia Strasburger & Price, LLP 7210 Brazos, Suite 700 Austin, TX 78701 Ph: 512-499-3647 Fax: 512-499-3660 Duane.brescia@strasburger.com

For Epicore Software Corporation

Parties Requesting Notice cont'd

James V. Hoeffher Graves, Doughterty, Hearon & Moody, P. C. 401 Congress Avenue Suite 2200 Austin, Texas 78701-3790 Ph: (512)-480-5707 Fax: (512)-480-5886 lhoeffher@gdhm.com

For Langara Capital Partners, Ltd. And Amabro Investments

John E. Olson, Esq Breen Olson & Trenton, LLP 44425 N. 24th Street, Ste 150 Phoenix, AZ 85254 Ph: (602) 732-7272 Fax: (520) 844-1618 john@botlawfirm.com, Stacey@botlawfirm.com

Counsel for Michael Breen

Deborah D. Williamson Cox Smith Matthews Incorporated 112 E. Pecan Street Suite 1800 San Antonio, TX 78205-1521 Ph: (210)-554-5500 Fax: (210)-226-8395 dwilliamson@coxsmit h.com

For First Wind Holdings, LLC

William L. Wallander Vinson & Elkins LLP Trammell Crow Center 2001 Ross Avenue, Suite 3700 Dallas, TX 75201-2975 Ph: 214-220-7700 Fax: 214-220-7716

For Notrees Windpower, LP and Duke Dnergy Transmission Holding Company, LLC

David Weitman, Esq. Gregory Sapire, Esq. K&L Gates, LLP 1717 Main Street, Suite 2800 Dallas, TX 75201 Ph: (214) 939-5500 Fax: (214) 939-5849 david.weitman@klgates.com, greg.sapire@klgates.com

Counsel for NEC Corporation

and

NEC Corporation c/o Greenhill & Co, Inc. Andrew Kramer Managing Director 300 Park Avenue New York, NY 10022 Berry D. Spears
Fulbright & Jaworski LLP
98 San Jacinto Blvd, Suite
1100
Austin, TX 78701
Ph: 512-536-5246
Fax: 512-536-4598
Berry.spears@nortonrosefullb
right.com

-and-

Michael M. Parker
Fulbright & Jaworski, L.L.P.
300 Convent Street, Suite
2100
San Antonio, TX 78205-3792
Ph: (210)-224-5575
Fax: 210-270-7205
Michael.parker@nortonroseful
bright.com

-and-

Robert A. Klyman
Ted A. Dillman
355 S. Grand Avenue
Los Angeles, CA 90071
Ph: 213-485-1234
Fax: 213-891-8763
Robert.klyman@lw.com
Ted.dillman@lw.com

For Toshiba International Corporation

Raymond W. Battaglia Strasburger & Price LLP 2301 Broadway San Antonio, TX 78215-1157 PH: (210) 250-6011 Fax: (210) 208-2729 ray.battaglia@strasberg er.com

Counsel for SAIL Capital Partners