



ORSON AND BRUSINI LTD

C O U N S E L O R S A T L A W

February 7, 2013

**TO ALL PARTIES INTERESTED IN BIDDING ON THE ASSETS OF BRADFORD
PRINTING & FINISHING, LLC AS A GOING CONCERN, AS SCRAP, OR IN
SEPARATE LOTS**

***Re: Diamond Business Credit, LLC v. Bradford Printing & Finishing, LLC,
C.A. No. 12-586***

This letter is to provide you with a narration of what the Auctioneer will read to prospective bidders prior to the Auction scheduled for March 5, 2013 at 10:30 a.m. To the extent there is conflicting information between this narration and the Receiver's Bid Letter dated February 7, 2013, the information in the Bid Letter will govern.

"This Auction has been scheduled by Theodore Orson as Permanent Receiver of Bradford Printing & Finishing, LLC which I will refer to as 'Bradford.' The Assets of Bradford will be sold in three manners today: first as a going concern, second as scrap, and third in separate lots.

The Receiver has a duty to Bradford's creditors to maximize the value of the Receivership Estate, therefore following the receipt of all bids, the Receiver in his sole and absolute discretion will make the final determination as to how the Assets will be sold based upon, among other things, which manner of sale will yield the highest net income to the Receivership Estate.

Anyone who intends to bid on the Assets as a going concern, as scrap, or in separate lots should have received a Bid Package dated February 7, 2013, signed the Bid Letter, and returned it to the Auctioneer. Are there any bidders present who intend to make a bid for the Assets as a going concern, as scrap, or in separate lots who have not reviewed the Bid Package dated February 7, 2013 and/or have not signed the Bid Letter? ***[If there are any such bidders who want to review the Bid Package, the Auction may be delayed to allow bidders an opportunity to review]***

The Assets for sale as a going concern include the following: machinery; equipment; tools; chemicals and dyes; inventory owned by Bradford; office equipment; furniture; licenses; customer lists; all intangible personal property including pre-receivership and certain post-receivership accounts receivable to be identified at the Auction; goodwill; intellectual property; leases; prepaid deposits; **excluding and excepting therefrom:** any and all cash, including but not limited to cash funded pursuant to the terms of the Funding Agreement; inventory owned by Tex-Shield supplied pursuant to the Funding Agreement; any account receivable owing to Bradford and/or the Receiver from Tex-Shield; any claims of the Receiver against Tex-Shield; all tax refunds of any kind or nature due and owing to Bradford and/or the Receiver from any taxing authorities; life insurance policies and any cash surrender value therein; choses-in-action not customarily available in the trade or industry in connection with the continued business

operations of Bradford; any and all claims of any kind or nature of the Receiver or the Receivership Estate against any stockholder, officer, director, employee, or other insider of Bradford, including but not limited to any and all claims against any such parties for breach of fiduciary duty, and any and all claims of any kind or nature against any entities or individuals relative to preferential transfers, fraudulent conveyances, or breach of duty to the Receivership Estate, Bradford and/or Bradford's creditors; any claims The Receiver and/or Bradford may have as the lessee pursuant to any real or personal property lease; all employee benefit plans including, but not limited to, any retirement, health or welfare plans; all equipment agreements; any collective bargaining agreements; any and all leased equipment, machinery or other leased assets or assets not owned by Bradford; and the proceeds of the sale of any of the foregoing excluded assets.

In order to qualify to bid on the Assets as a going concern, a bidder must have delivered to the Receiver's Auctioneer: (i) a non-refundable deposit in the form of a wire transfer, certified check, or cashier's check in the amount of \$50,000; (ii) an executed Offer to Purchase; and (iii) the Bid Letter countersigned by the bidder. The Offer to Purchase must be filled out in its entirety except for the purchase price which will be filled in by the Receiver's Auctioneer and initialed by the winning bidder at the Auction. No changes may be made to the Offer to Purchase and if any such changes are made and are not initialed by the Receiver, any such changes will be voidable by the Receiver in his sole and absolute discretion. The purchase price, as set forth in the Offer to Purchase, mines the Deposit, in the form of a wire transfer, certified check, or cashier's check shall be delivered to the Receiver by 5:00 p.m. on the Closing Date, as defined in the Offer to Purchase, **time being of the essence**, or the Deposit shall be deemed forfeited and the Receiver shall have the right to exercise his rights and claims against the successful bidder as set forth in the Offer to Purchase. Upon delivery of the balance of the purchase price, the Receiver will deliver a Receiver's Bill of Sale to the successful bidder.

In the event a successful bidder defaults on any payment obligations to the Receiver as set forth herein and/or in the Offer to Purchase, the Receiver may, in his sole and absolute discretion, sell the Assets to another bidder without giving notice to any other bidder.

The Premises is owned by BPF Realty, LLC, a Rhode Island limited liability company whose charter was revoked by the Rhode Island Secretary of State on December 31, 2012 ("BPF Realty"). BPF Realty has represented to the Receiver that it is in the process of reinstating its charter with the Rhode Island Secretary of State. In the event that the successful bidder intends to continue operations at the Premises, the successful bidder may negotiate a lease agreement directly with BPF Realty. The Receiver makes no representations or warranties whatsoever regarding BPF Realty, the status of BPF Realty, and/or the likelihood of the reinstatement of its charter with the Rhode Island Secretary of State. It is the sole responsibility of bidders to conduct their own due diligence prior to entering into a lease agreement with BPF Realty. For more information regarding the status of BPF Realty's reinstatement, bidders may contact Nicholas Griseto by telephone at (401) 637-4966 or (401) 742-2781 or via email to ngriseto@msn.com.

Bradford is an operating company. The Receiver operates Bradford pursuant to the Consent Order dated February 7, 2013 and the Funding Agreement to process certain orders for its customer Tex-Shield. In the event the Receiver is in the process of completing an existing

order(s) for Tex-Shield on the date of the entry of a Court Order approving the sale of the Assets to the successful bidder(s), you agree and acknowledge that the Receiver shall be authorized to continue operations at the Premises in order to complete the processing of Tex-Shield's existing order(s) up to but not including the Closing Date of the sale of the Assets.

Pursuant to Section 6 of the Funding Agreement, Tex-Shield has agreed to indemnify and hold harmless the Receiver and the Receivership Estate and their directors, officers, agents, and employees from and against any and all losses, claims, costs, damages, legal fees or expenses of any kind, including attorneys' fees, resulting from, arising out of or connected in any way with any action or inaction by such persons associated with or arising at any time out of any performance under the Funding Agreement, including but not limited to the Receiver's operation of Bradford at the Premises during the period between the entry of a Court Order approving the sale of the Assets to the successful bidder up to but not including the Closing Date of the sale of the Assets, as well as any and all claims, actions, suits, proceedings, demands, assessments, losses, judgments, costs and legal or other expenses ("Losses") incidental to the foregoing. However, notwithstanding the foregoing, any Losses of the successful bidder incidental to the Receiver's operation of Bradford during the period between the entry of a Court Order approving the sale of the Assets to the successful bidder up to but not including the Closing Date shall be limited to the amount of Ten Thousand Dollars (\$10,000).

Please be advised that former Bradford employees were members of and are presently represented by the New England Joint Board of UNITE HERE ("UNITE HERE"). Former Bradford employees and UNITE HERE were parties to UNITE HERE-Bradford collective bargaining agreement dated October 6, 2011 (the "CBA"). The Receiver has neither assumed nor rejected the CBA. There is a September 13, 2012 Decision and Order by the National Labor Relations Board in the matter of *Bradford Printing & Finishing, LLC and New England Joint Board, UNITE-HERE*, Case Nos. 01-CA-046524, 01-CA-046545, 01-CA-046631, and 01-CA-046657 against Bradford Printing & Finishing, LLC, and its officers, agents, successors, and assigns.

Bradford maintains an air operating permit (Air Operating Permit No. RI-12-06 (R3)) and a Rhode Island Pollutant Discharge Elimination System ("RIPDES") permit (RIPDES Permit No. RI0000043) related to use of the wastewater treatment facility located at the Premises. Pursuant to a Consent Order dated November 1, 2012 and a Consent Order dated February 7, 2013 the Receiver has agreed with the Rhode Island Department of Environmental Management ("DEM") to cease the discharge of any wastewater or sanitary waste to the wastewater treatment facility during the Receiver's operation of Bradford at the Premises. The Receiver makes no warranties or representations whatsoever with regard to the transferability of the above referenced permits or the likelihood of DEM's approval of the application for a new RIPDES permit for use of the wastewater treatment facility located at the Premises.

The Assets for sale as scrap or in separate lots include those identified on the list of machinery and equipment, those identified as "packaged" machinery and equipment, and other tangible personal property of Bradford.

If you intend to make a bid to purchase the Assets as scrap or in separate lots, in addition to payment of the purchase price, you must pay a \$75,000 deposit in the form of wire transfer,

certified, or cashier's check, which will be held in escrow by the Receiver pending delivery of the Premises in broom clean condition, and with no damage to the utilities or to the mechanical infrastructure of the building. Additionally, prior to the Auction, a bidder must provide the Receiver's Auctioneer with certificates demonstrating that it has no less than \$1 million in liability and workers' compensation insurance.

Please note that the cost to remove chemicals presently located at the Premises is estimated to be approximately \$3,590.57. Thus, in order for a bid to purchase the Assets as scrap or in separate lots to prevail over a bid to purchase the Assets as a going concern, the bid to purchase as scrap or in separate lots must be at least \$3,590.57 higher than the bid to purchase the Assets as a going concern.

PLEASE NOTE THAT THERE HAVE BEEN STRUCTURAL AND ENVIRONMENTAL ISSUES IDENTIFIED AT THE PREMISES THAT COULD POTENTIALLY AFFECT THE FUTURE OPERATIONS OF THE BUSINESS AT THE PREMISES. ALL POTENTIAL BIDDERS ARE STRONGLY ENCOURAGED TO ENGAGE AN APPROPRIATE PROFESSIONAL TO CONDUCT DUE DILIGENCE TO DETERMINE THE SCOPE AND SIGNIFICANCE OF THOSE STRUCTURAL AND ENVIRONMENTAL ISSUES IN ADVANCE OF THE AUCTION.

The Receiver does not and shall not make any representations or warranties of any kind whatsoever regarding the Assets and/or the sale of the Assets. The Assets will be sold by the Receiver and purchased by the successful bidder(s) "as is," "where is," and with all faults. The Receiver hereby disclaims any and all warranties with respect to the Assets.

Any written or oral disclosure made by any employee or agent of the Receiver, Bradford, Aerotek, Inc. ("Aerotek"), an employee leasing company that has supplied contract workers to the Receiver during his operation of Bradford, or any other third party, not expressly disclosed in this Agreement and/or the Bid Package is hereby repudiated by the Receiver and shall not be relied upon by any prospective bidder.

Any and all information, documents, and/or materials contained herein are for informational purposes only and are not a representation or warranty of any kind related to the Assets. All prospective bidders are on notice to make independent investigations they deem reasonable and necessary with respect to any of the information contained herein and/or in the Bid Package.

The Receiver assumes no responsibility whatsoever for any factual or legal matters related to the information contained herein and/or the Bid Package related to the sale of the Assets. The Receiver renders no opinion whatsoever regarding the transferability of any rights or interests, including but not limited to any license, permit, or copyright. The Receiver assumes no responsibility whatsoever for hidden or unapparent conditions of the Assets which could increase or decrease the value thereof.

Any information and/or valuation estimates contained herein are believed to be true and accurate and were obtained from sources considered by the Receiver to be reliable. The Receiver, however, assumes no responsibility whatsoever for the accuracy or inaccuracy of such

information and/or valuation estimates.”

Very truly yours,

A handwritten signature in black ink, consisting of a stylized 'T' followed by a long, sweeping horizontal line that extends to the right.

Theodore Orson,
as and only as Receiver of
Bradford Printing & Finishing, LLC, and not individually