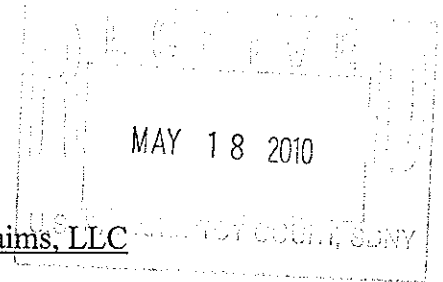


730 Columbus Avenue
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May 17, 2010

Ms. Karen M. Scheibe, Esq.
ASK Financial LLP
2600 Eagan Woods Drive, Suite 400
St. Paul, MN 55121



RE: Preference Actions Against Assignors of Riverside Claims, LLC

Dear Ms. Scheibe:

We have previously provided to you, via e-mail, a list of the preference actions that we are aware of that relate to our claim assignments. A summary of the status of those actions are included.

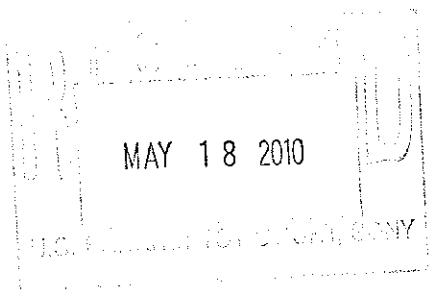
As we previously discussed, several of these entities appear to be out of business; others have not filed any answers. Since the remedies sought include a disallowance of claims, we are prepared to respond informally or to seek to intervene in these proceedings, as we believe there are valid defenses including payments made in the ordinary course, new value and, possibly, other bases. Although we raised these issues in our conversations and e-mails, we have still not been apprised as to how you prefer to handle this going forward.

We are eager to resolve these issues at the earliest opportunity and look forward to working with you to bring them to a successful conclusion.

Sincerely,

Elliot H. Herskowitz,
Managing Member

cc: United States Bankruptcy Court



Summary of Preference Actions

<u>AP#</u>	<u>Document #</u>	<u>Creditor</u>	<u>Priority</u>	<u>GUC</u>	<u>Status</u>
10-01501	2591	Amalgamated International LTD		\$57,640.00	No Response
10-02352		Culligan of Dixon	\$1,308.00	\$2,731.00	Notice of Dismissal
10-02635	3737	McDanco Transportation Inc.		\$340.00	Amended Complaint served/OOB?
10-01425	2515	Spectrum Industrial Services		\$39,849.00	Amended Complaint served
10-02569	3660	Wuzburg Inc.		\$4,657.00	Suggestion of Bankruptcy
10-02630	3722	Cavert Wire Company	\$28,752.00	\$123,743.00	Answer filed
10-02572	3644	Yankee Pallet Products Inc.		\$52,865.00	Out of Business ? (OOB)
10-02262	3361	Barron Equipment Co, Inc.		\$5,394.00	Answer filed
10-01713	2806	Presource Inc.	\$2,076.00	\$2,367.00	Notice of Dismissal
10-02196	3291	Mail Merry Systems Inc.	\$6,005.00	\$0.00	Notice of Dismissal
10-02558	3649	Tri Dim Filter Corp	\$816.00	\$2,077.00	Notice of Dismissal
10-01443	2533	TKM United States Inc.		\$243,115.00	Answer filed
10-02418	3509	Label Source LTD	\$17,971.00	\$29,731.00	Informal Response provided
10-01737	2830	Shoppa's Material Handling Inc.		\$13,662.00	Notice of Dismissal
10-02538	3629	Short Distribution		\$23,112.000	Out of Business ? (OOB)