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HON. RICARDO S. MARTINEZ

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

CASCADE YARNS, INC., a Washington Corporation,  
  
Plaintiff,  
  
vs.  
  
KNITTING FEVER, INC., a New York Corporation, DESIGNER YARNS, LTD., a corporation of England, FILATURA PETTINATA V.V.G. DI STEFANO VACCARI & C. (S.A.S.), and entity organized or existing under the laws of Italy, SION ELALOUF, an individual, DIANE ELALOUF, an individual, JAY OPPERMAN, an individual, DEBBIE BLISS, an individual, DAVID WATT, an individual and DOES 1-50,  
  
Defendant.

Case No. 2:10-cv-00861 RSM

**REPLY DECLARATION OF ROBERT J. GUTE IN SUPPORT OF CASCADE’S MOTION FOR WRIT OF ATTACHMENT**

**Note On Motion Calendar: November 19, 2010**

I, Robert J. Gute, declare as follows:

1. I am an attorney, admitted to practice before all of the courts of the State of Washington and this court, and am Of Counsel at Squire, Sanders & Dempsey L.L.P., counsel of record for Plaintiff Cascade Yarns, Inc. (“Cascade”) in this action. This declaration is based on my personal knowledge and, if called on to do so, I would and could testify competently as to the matters set forth herein.

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2. Attached hereto as Exhibit A is a true and correct copy of excerpts of a Dun & Bradstreet Risk Management Report for Knitting Fever, Inc. obtained at my direction on November 2, 2010 from Dun & Bradstreet.

I declare under penalty of perjury under the laws of the United States of America and the state of Washington that the foregoing is true and correct.

Executed on November 19, 2010 at San Francisco, California.

/s/ Robert J. Guite  
ROBERT J. GUILTE

**EXHIBIT A**



ATTN:Nancy Castor

Report Printed:November 02, 2010

Live Report : KNITTING FEVER, INC.

D-U-N-S® Number: 04-982-9971

Trade Names: K F I

Endorsement/Billing Reference: ncastor@ssd.com

| D&B Address          |  |
|----------------------|--|
| <b>Address</b>       | 315 Bayview Ave<br>Amityville,NY - 11701 |
| <b>Phone</b>         | 516 546-3600                             |
| <b>Fax</b>           |  |
| <b>Location Type</b> | Headquarters                             |
| <b>Web</b>           | www.knittingfever.com                    |

|                      |                 |
|----------------------|-----------------|
| <b>Endorsement :</b> | ncastor@ssd.com |
|----------------------|-----------------|

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

|                                 |            |
|---------------------------------|------------|
| PAYDEX®                         | 79         |
| Commercial Credit Score Class   | 1          |
| Financial Stress Class          | 2          |
| Credit Limit - D&B Conservative | 250,000.00 |
| D&B Rating                      | 1R3        |

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

| Record Type  | Number of Records | Most Recent Filing Date |
|--------------|-------------------|-------------------------|
| Bankruptcies | 0                 | -                       |
| Judgments    | 0                 | -                       |
| Liens        | 0                 | -                       |
| Suits        | 1                 | 09/02/08                |
| UCCs         | 2                 | 08/25/06                |

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

D&B Company Overview

**This is a headquarters location**

|  |                                  |
|--|----------------------------------|
| <b>Branch(es) or Division(s) exist</b> | Y                                |
| <b>Mailing Address</b>                 | PO Box 336<br>Amityville,NY11701 |
| <b>Chief Executive</b>                 | SION ELALOUF,<br>PRES            |
| <b>Year Started</b>                    | 1980                             |
| <b>Employees</b>                       | 50 (49 Here)                     |
| <b>Financing</b>                       | SECURED                          |
| <b>SIC</b>                             | 5199                             |
| <b>Line of business</b>                | Whol nondurable goods            |
| <b>NAICS</b>                           | 424990                           |
| <b>History Status</b>                  | CLEAR                            |


Predictive Scores

Currency: Shown in USD unless otherwise indicated

**Payments Detail Key:** ■ 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

## Public Filings

**Currency:** Shown in USD unless otherwise indicated 

### Summary

The following data includes both open and closed filings found in D&B's database on this company.

| Record Type            | # of Records | Most Recent Filing Date |
|------------------------|--------------|-------------------------|
| Bankruptcy Proceedings | 0            | -                       |
| Judgments              | 0            | -                       |
| Liens                  | 0            | -                       |
| Suits                  | 1            | 09/02/08                |
| UCCs                   | 2            | 08/25/06                |

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

### Suits

|                             |   |
|-----------------------------|---|
| <b>Status</b>               | <b>Pending</b>  |
| <b>CASE NO.</b>             | 2-08-04221  |
| <b>Plaintiff</b>            | THE KNIT WITH A PENNSYLVANIA PARTNERSHIP                        |
| <b>Defendant</b>            | KNITTING FEVER, INC. AND OTHERS                                 |
| <b>Cause</b>                | TRADEMARK   |
| <b>Where filed</b>          | U S DISTRICT COURT FOR EASTERN DISTRICT OF PA, PHILADELPHIA, PA |
| <b>Date status attained</b> | 09/02/08  |
| <b>Date filed</b>           | 09/02/08  |
| <b>Latest Info Received</b> | 09/04/08  |

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

### UCC Filings

|                             |   |
|-----------------------------|---|
| <b>Collateral</b>           | Inventory including proceeds and products - Account(s) including proceeds and products - Assets including proceeds and products - Computer equipment including proceeds and products - and OTHERS |
| <b>Type</b>                 | Original  |
| <b>Sec. Party</b>           | HSBC BANK USA, BUFFALO, NY  |
| <b>Debtor</b>               | KNITTING FEVER, INC.  |
| <b>Filing No.</b>           | 0301210140428   |
| <b>Filed With</b>           | SECRETARY OF STATE/UCC DIVISION, ALBANY, NY   |
| <b>Date Filed</b>           | 2003-01-21  |
| <b>Latest Info Received</b> | 02/10/03  |

Collateral ~~Lease of equipment and proceeds~~  
 Type Original  
 Sec. Party NMHG FINANCIAL SERVICES, INC., DANBURY, CT  
 Debtor KNITTING FEVER, INC.  
 Filing No. 0608255841489  
 Filed With SECRETARY OF STATE/UCC DIVISION, ALBANY, NY

Date Filed 2006-08-25  
 Latest Info Received 09/19/06

**Government Activity**

**Activity summary**


Borrower (Dir/Guar) NO  
 Administrative Debt NO  
 Contractor NO  
 Grantee NO  
 Party excluded from federal program(s) NO

**Possible candidate for socio-economic program consideration**

Labour Surplus Area YES (2010)  
 Small Business YES (2010)  
 8(A) firm N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

**History & Operations**

**Currency:** Shown in USD unless otherwise indicated 

**Company Overview**

**Company Name:** KNITTING FEVER, INC.  
**Doing Business As :** K F I  
**Street Address:** 315 Bayview Ave  
 Amityville , NY 11701  
**Mailing Address:** PO Box 336  
 Amityville NY 11701  
**Phone:** 516 546-3600  
**URL:** http://www.knittingfever.com  
**History** Is clear  
**Present management control** 30 years

**History**

The following information was reported: **05/06/2010**

**Officer(s):** SION ELALOUF, PRES

**DIRECTOR(S) :** THE OFFICER(S)

The New York Secretary of State's business registrations file showed that Knitting Fever, Inc was registered as a corporation on July 2,

## Business Registration

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CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF Oct 22 2010

The following data is not an official record of the Department of State or the State of New York and Dun & Bradstreet is not an employee or agent thereof.

**Registered Name:** KNITTING FEVER, INC.  
**Business type:** CORPORATION  
**Corporation type:** PROFIT  
**Date incorporated:** Jul 02 1980  
**State of incorporation:** NEW YORK  
**Filing date:** Jul 02 1980  
**Registration ID:** 636966  
**Duration:** PERPETUAL  
**Status:** ACTIVE  
**Where filed:** SECRETARY OF STATE/CORPORATION DIVISION , ALBANY , NY  
**Registered agent:** BERNARD S. MARK, ESQ. , 98 CUTTER MILL ROAD , GREAT NECK , NY , 110210000  
**Principals:** MR. SION ELALOUF , CHAIRMAN OF THE BOARD , 35 DEBEVOISE AVENUE , ROOSEVELT , NY , 115750000

## Operations

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05/06/2010

Wholesales nondurable goods, specializing in yarns (100%).

**Description:** Has 2000 account(s). Terms are cash and Net 30 days. Sells to retailers. Territory : United States.

Nonseasonal.

**Employees:** 50 which includes officer(s). 49 employed here.

**Facilities:** Owns 32,000 sq. ft. in a one story building.

**Location:** Industrial section on well traveled street.

**Subsidiaries:** K F I Inc (100%) chartered 1997. Operates as wholesaler of nondurable goods.

Euro Yarns Inc (100%) chartered 2002. Operates as wholesaler of nondurable goods.

## SIC & NAICS

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### SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.


5199 0411 Yarns, nec

### NAICS:

424990 Other Miscellaneous Nondurable Goods Merchant Wholesalers

## Financials

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**Currency:** Shown in USD unless otherwise indicated 

### Company Financials: D&B

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D&B currently has no financial information on file for this company.

You can ask D&B to make a personalized request to this company on your behalf to obtain its latest financial information by clicking the Request Financial Statements button below.

### Additional Financial Data

On FEB 24 2010 Jerry Cane, Offc Mgr, declined all information.

### Request Financial Statements

Requested financials are provided byKNITTING FEVER, INC.and are not DUNSRight certified.

### Key Business Ratios

D & B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance.

To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

Based on this Number of Establishments

13

#### Industry Norms Based On 13 Establishments

|                               | This Business | Industry Median | Industry Quartile |
|-------------------------------|---------------|-----------------|-------------------|
| <b>Profitability</b>          |               |                 |                   |
| Return on Sales               | UN            | 1.8             | UN                |
| Return on Net Worth           | UN            | 12.1            | UN                |
| <b>Short-Term Solvency</b>    |               |                 |                   |
| Current Ratio                 | UN            | 2.5             | UN                |
| Quick Ratio                   | UN            | 1.6             | UN                |
| <b>Efficiency</b>             |               |                 |                   |
| Assets/Sales                  | UN            | 35.8            | UN                |
| Sales / Net Working Capital   | UN            | 6.4             | UN                |
| <b>Utilization</b>            |               |                 |                   |
| Total Liabilities / Net Worth | UN            | 27.2            | UN                |

UN = Unavailable

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