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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

**DECLARATION OF ROBERT J. GUITE
IN SUPPORT OF CASCADE YARNS,
INC.'S MOTION FOR PARTIAL
SUMMARY JUDGMENT**

**Note On Motion Calendar:
January 14, 2011**

I, Robert J. Guite, 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.

EXHIBIT A

Pages 1-273
Exhibits 1-23

THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

THE KNIT WITH, a PA Corporation,)
 Plaintiff)
 v.)
) No.02: 08-CV-04221
 KNITTING FEVER, INC., a NY Corp.,)
 DESIGNER YARNS, LTD.,)
 a corporation of England,)
 FILATURA PETTINATA V.V.G.)
 DI STEFANO VACCARI & C.(S.A.S.),)
 a company of Italy,)
 and)
 SION ELALOUF and DIANE ELALOUF,)
 of New York,)
 JEFFREY J. DENECKE, JR., of NY,)
 JAY OPPERMAN, of New Jersey,)
 DEBBIE BLISS, of England,)
 Defendants)

 THE KNIT WITH, a PA Corporation,)
 Plaintiff)
 vs.) No. 02: 08-CV-04775
)
 Eisaku Noro & Co., Ltd.,)
 a corporation of Japan,)
 KNITTING FEVER, INC., a NY Corp.,)
 and)
 SION ELALOUF and DIANE ELALOUF,)
 of New York,)
 JAY OPPERMAN, of New Jersey,)
 Defendants)

DEPOSITION OF STEVEN ELKINS
AS 30(b)(6) DESIGNEE OF VALLEY FIBERS CORPORATION

ON APRIL 2, 2010
At the Offices of:
Fierst, Pucci & Kane, LLP
64 Gothic Street, Northampton, MA 01060

1 that way, so obviously he knows.

2 A. Could you repeat the question.

3 Q. Sure. In all of your testing of Debbie Bliss
4 Cashmerino, did all of the yarns upon testing for fiber
5 analysis match up to the labeled quantities of cashmere
6 on those yarns?

7 A. No.

8 Q. And in fact all of them failed, correct?

9 A. That's correct.

10 Q. Was this something that you addressed with the
11 principal at Knitting Fever?

12 A. Yes.

13 Q. And who did you address it with?

14 A. I don't remember. It would have been either
15 with Sion or Jay.

16 Q. But you have no distinct recollection of whom?

17 A. I don't.

18 Q. Do you have a distinct recollection as to when?

19 A. I believe we told them that we were taking the
20 yarns off the shelf, so it would have been in the August
21 time frame.

22 Q. Around August --

23 A. August 8 is when we took the yarns off the
24 shelf.

1 MS. RICHARDS: Objection. He hasn't testified
2 that there was an agreement.

3 MR. CASALE: Yes, he did. He used the term
4 agreed.

5 MS. RICHARDS: The agreement of placing an
6 order.

7 MR. CASALE: I don't know that. I'm asking him
8 anyway. I'm asking when.

9 THE WITNESS: It was in the June/July time
10 frame. May, June or July we placed an order with the
11 understanding that their new dye lots are there and
12 that we can rest assured, based upon the testing that
13 has gone on, that we were selling properly labeled
14 yarn on the advice of counsel.

15 Q. (By Mr. Casale) I understand the advice of
16 counsel aspect of your testimony. I understand that you
17 placed an order. What I don't understand is when you got
18 the agreement that there would be new dye lots only. And
19 let me ask you that specific question. When did you
20 reach agreement with KFI that you will have new dye lots
21 only on Cashmerinos when you come to resume the sale of
22 Debbie Bliss Cashmerinos?

23 A. I can't give you an exact date. I have the
24 e-mail that was produced from Jeff. It says, "I'm

1 C?

2 MS. RICHARDS: Objection. Asked and answered.

3 You covered this.

4 Q. (By Mr. Casale) Prior to you receiving these dye
5 lots, how did you know they were designated B and C?

6 A. That is what I was told.

7 Q. By Jeff Denecke?

8 A. Correct.

9 Q. And that is at some point prior to your reaching
10 an agreement?

11 A. I don't know the sequence of understanding that
12 a B and C dye lot is what I wanted. I don't remember
13 what the sequence of that was. The agreement that --
14 what we said, if we go back into business with Debbie
15 Bliss Cashmerino, we need to be assured that the dye lots
16 that we have will test properly, based on advice of
17 counsel, so that we can sell the product.

18 Q. Fine. I understand, Mr. Elkins. It's the
19 prudent and proper thing to have done, and it appears
20 that you did it. What I don't understand is how you
21 testified earlier that you knew the dye lots were
22 designated B and C based upon your observation of B and C
23 in your warehouse?

24 A. No, no that is not --

COMMONWEALTH OF MASSACHUSETTS
WORCESTER, SS.

I, Danita Boutiette, Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that there came before me on April 2, 2010, at the Offices of Fierst, Pucci & Kane, LLP, 64 Gothic Street, Northampton, Massachusetts, the following named person, to wit, STEVEN ELKINS, who by me was duly sworn to testify to the truth, the whole truth and nothing but the truth as to his knowledge on and concerning the matters in controversy in this cause; that he was thereupon examined upon his oath and said examination reduced to writing by me; and that the statement is a true record of the testimony given by the witness to the best of my knowledge and ability.

I further certify that I am not a relative or employee of counsel or any of the parties, nor a relative or employee of such parties, nor am I financially interested in the outcome of the action.

WITNESS MY HAND: April 10, 2010

Danita Boutiette

My Commission Expires:
October 15, 2010