

HON. RICARDO S. MARTINEZ

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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

Defendants.

) Case No. 2:10-cv-00861 RSM

) **DECLARATION OF JEAN F. DUNBABIN
IN SUPPORT OF CASCADE YARNS
INC.'S OPPOSITION TO DEFENDANTS
DESIGNER YARNS, LTD., SION
ELALOUF, DIANE ELALOUF, JAY
OPPERMAN, DEBBIE BLISS AND DAVID
WATT'S MOTION TO DISMISS FOR
LACK OF PERSONAL JURISDICTION**

) **NOTE ON MOTION CALENDAR:
August 20, 2010**

I, Jean F. Dunbabin, hereby declare as follows:

1. I am an owner and managing agent of Cascade Yarns, Inc. ("Cascade") and personally involved in numerous business decisions of the same. I submit this declaration in support of Cascade's Opposition to Defendants Designer Yarns, Ltd., Sion Elalouf, Diane Elalouf, Jay Opperman, Debbie Bliss and David Watt's Motion to Dismiss for Lack of Personal

DECLARATION OF JEAN F. DUNBABIN IN SUPPORT OF OPPOSITION TO MOTION TO DISMISS FOR LACK OF PERSONAL JURISDICTION - 1

Case No. 2:10-cv-00861 RSM

SQUIRE, SANDERS & DEMPSEY L.L.P.
ONE MARITIME PLAZA, SUITE 300
SAN FRANCISCO, CALIFORNIA 94111-3492
415.954.0200 FAX: 415.393.9887

1 Jurisdiction. This declaration is based on my personal knowledge and, if called upon to do so, I
2 would and could testify competently as to the matters set forth herein.

3 2. In or around the early part of the decade 2000, Cascade purchased three yarns from
4 Defendant Filatura Pettinata V.V.G. Di Stefano Vaccari & C. (S.A.S.) ("VVG"). Those yarns
5 were shipped by VVG to Cascade's location in Washington. Cascade received 2 or 3 shipments
6 with the last one arriving in either 2004 or 2005. VVG submitted bills to Cascade in Washington
7 State for the same and Cascade tendered payment from Washington State for those bills.

8 3. In June 2006, VVG's two managing agents came to an industry trade show in
9 Indianapolis, Indiana following the rumors of their yarn starting to circulate.

10 4. On or about June 27, 2006, Mr. Roy Klein wrote to Cascade on behalf of Designer
11 Yarns and KFI threatening a lawsuit, related to my decision to send a sample of Debbie Bliss'
12 Cashmerino Chunky to the Cashmere Camel Hair and Manufacturers Institute ("CCMI") for
13 testing. Mr. Klein sent this letter by fax to Cascade's Washington State fax number. A true and
14 accurate copy of the same is attached as Exhibit A.

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

17 Executed on August 16, 2010 at Tukwila, Washington.

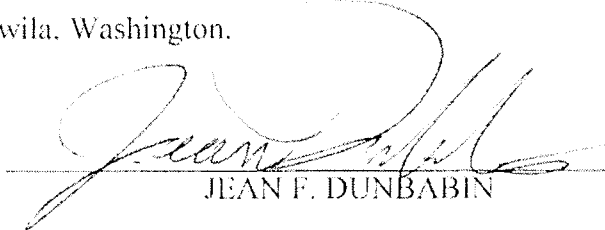
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JEAN F. DUNBABIN

EXHIBIT A

LAW OFFICES
ROY A. KLEIN
532 BROAD HOLLOW ROAD
SUITE 144
MELVILLE, NEW YORK 11747
(631) 777-1313
FAX (631) 777-1819

ALFRED S. WALENDOWSKI
OF COUNSEL

*Fax to
206-574-0436*

June 27, 2006

Via Email, Fax & Mail
Jean Dunbabin
Cascade Yarns
1224 Andover Park
Tukwila, WA 98188

Dear Ms. Dunbabin:

I represent Knitting Fever, Inc. ("KFI"), Debbie Bliss and Designer Yarns in connection with their claims of trade libel arising out of your recent publication of false and defamatory statements at the TNNA trade show and elsewhere alleging that Debbie Bliss' Cashmerino Yarn, which KFI distributes in the United States for Designer Yarns, contains no cashmere.

As you should know, cashmere is extremely difficult to test for in yarn samples, especially when it is combined with fine micron Extra fine merino wool. It was therefore irresponsible and malicious for you to accuse KFI, Debbie Bliss and Designer Yarns of misrepresenting the fiber content of Debbie Bliss Cashmerino based on the so-called "findings" of one lab that examined only some 500 fibers from a single sample. At the very least, you should have had the courtesy to bring your "findings" to KFI before going public with them.

Had you done so, you would have learned that - consistent with the statements from the yarn spinner as to its content - KFI's independent lab reports analyzing larger and more reliable samples showed that the yarn indeed has the cashmere content indicated on its label.

KFI therefore demands that you forthwith issue a written, public retraction and apology, in a form to be reviewed and approved by KFI in advance. If you fail or refuse to do so, KFI, Debbie Bliss and Designer Yarns will not hesitate to pursue all appropriate rights and remedies to recover compensatory and punitive damages for your tortious and illegal conduct.

Please guide yourself accordingly.

Sincerely,

Roy A. Klein