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HON. RICARDO S. MARTINEZ

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

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|--|---|---|
| CASCADE YARNS, INC., a Washington Corporation,   | ) | Case No. 2:10-cv-00861 RSM  |
|  | ) |   |
| Plaintiff,   | ) | <b>DECLARATION OF ROBERT A. DUNBABIN, JR. IN SUPPORT OF CASCADE’S MOTION AND MEMORANDUM FOR LIMITED EXPEDITED DISCOVERY</b> |
| 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 | ) | <b>Note On Motion Calendar: November 12, 2010</b>   |
|  | ) |   |
| Defendants.  | ) |   |
|  | ) |   |

I, Robert A. Dunbabin, Jr., hereby declare as follows:

1. I am an attorney at law, admitted to practice before all of the courts of the State of Washington and this Court. I am in-house counsel with Cascade Yarns, Inc. (“Cascade”) and personally involved in numerous business decisions of the same. I submit this declaration in support of Plaintiff Cascade Yarns, Inc.’s Motion to Conduct Discovery Pursuant to Fed. R. Civ.

1 P. 26(d)(1). 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. With respect to the unsigned tests from SGS Cashmere Labs, apparently conducted  
4 on behalf of UK-based Designer Yarns, a number of the samples tested appear to be of yarns that  
5 Cascade sold many years ago and no longer has in stock.

6 3. The Cascade 109 Tweed was a yarn that was discontinued a number of years ago.  
7 Cascade sold the balance of the product as a closeout to Webs, a yarn customer, around three  
8 years ago. My review of Webs' website confirms that the product was sold out some time ago  
9 and is no longer available for sale.

10 4. Mohair Kiss color 20882 is a yarn that Cascade ran out of a very long time ago.  
11 Based on my knowledge of our inventory and practices, I do not believe that Cascade has shipped  
12 this yarn for at least the last four years. I attempted to locate this yarn on the market and was only  
13 able to find a single ball advertised for sale on ebay. The ball had no label or markings, so test  
14 results on it would be useless. A letter emailed to our customers requesting that any customer who  
15 had this yarn in stock notify us so that we could repurchase it for testing produced no results.

16 5. The other color of Mohair Kiss that was purportedly tested was also quite old.  
17 However, I closed out a significant quantity of it with Webs a year or so ago. One store located it  
18 and we obtained tests of its fiber content and communicated those results to Mr. Slavitt and Mr.  
19 Rheaume through our counsel. The test confirmed that the yarn was accurately labeled.

20 6. Madil Fiordo was a yarn that was discontinued prior to 2005. It was never a  
21 popular yarn and sales of it were well less than 1% of our volume.

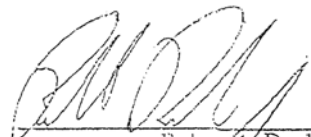
22 7. Madil Kid Seta 833 was a popular color of a yarn that we discontinued some years  
23 ago. We used to buy this yarn from a mill, which has since ceased production. About 3 or 4 years  
24 ago we changed the name on this product to Cascade Kid Seta and sourced the product from  
25 another mill. Based on my experience and familiarity with Cascade's products, I believe that  
26 Cascade sold the last bag of this yarn over 4 years ago. I could not find it on the market place. I

1 would be surprised if a yarn store had it in stock. Not having that color or dyelot, I was forced to  
2 test other colors of that product. Reports of fiber analysis (also provided to Mr. Slavitt and Mr.  
3 Rheaume by Cascade's counsel) showed them to be accurate labeled. From my experience, mills  
4 typically spin large quantities of a yarn, and after spinning dye it in various colors. Given this  
5 process it seems implausible that one color would have a very different composition than other  
6 colors, unless the mill made a decision to change the composition.

7 8. King Cole Luxury Mohair color 248 lot 719 is a branded product that we bought  
8 from a company in England. Luxury Mohair has been a very poor seller for us since at least 2005  
9 We ordered very small quantities as needed; we did not carry any real inventory. The brand  
10 owner informed me that the dye lot tested by SGS was 12 years old.

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

13 Executed on October 28, 2010 at Palo Alto, California.

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16   
Robert A. Dunbabin, Jr.