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STATE OF RHODE ISLAND
PROVIDENCE, SC

SUPERIOR COURT

Larry E. Pierce
Plaintiff

vs.

COLORLITH CORPORATION
Defendant

C.A. NO. 09-4103

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ORDER APPOINTING TEMPORARY RECEIVER

This cause came on to be heard upon the Plaintiff's Petition for Appointment of a Receiver and, upon consideration thereof, it is hereby

ORDERED, ADJUDGED AND DECREED

1. That Linda Rekas Sloan, ⁴⁰¹⁻²⁷⁴⁻⁰³⁰⁰ of Providence, Rhode Island be and hereby is appointed Temporary Receiver (the "Receiver") of the Defendant.

2. That said Receiver shall, no later than five (5) days from the date hereof, file a bond in the sum of \$ 10,000 with any surety company authorized to do business in the State of Rhode Island as surety thereon, conditioned that the Receiver will well and truly perform the duties of said office and duly account for all monies and property which may come into the Receiver's hands and abide by and perform all things which the Receiver will be directed to do by this Court.

3. That said Receiver is authorized to take possession and charge of the property and assets of the Defendant, to collect the debts and property belonging to it and to preserve the same until further Order of this Court.

4. That said Receiver is authorized until further Order of this Court, in the Receiver's discretion and as said Receiver deems appropriate and advisable to conduct the business of said Defendant, to borrow money from time to time, purchase for cash or upon credit, merchandise, materials and other property, engage employees and to pay said employees, in the usual course of business, and to do and perform or cause to be done and performed all other acts and things as are appropriate in the premises. Said Receiver shall obtain a true Copy Attest

Henry S. Kinch, Jr.
Office of Clerk of Superior Court
Counties of Providence & Bristol
Providence, Rhode Island

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authorization from this Honorable Court before retaining accountants, business consultants, appraisers and special counsel. All disbursements by the Receiver shall be itemized in detail in the Receiver's Reports to the Court and all disbursements to accountants, business consultants, appraisers and special counsel shall be subject to approval by the Court. The Receiver and the law firm of which the Receiver is a member are hereby engaged as general counsel to said Receiver.

5. That the commencement, prosecution, or continuance of the prosecution, of any action, suit, arbitration proceeding, hearing, or any foreclosure, reclamation or repossession proceeding, both judicial and non-judicial, or any other proceeding, in law, or in equity or under any statute, or otherwise, against said Defendant or any of its property, in any Court, agency, tribunal, or elsewhere, or before any arbitrator, or otherwise by any creditor, stockholder, corporation, partnership or any other person, or the levy of any attachment, execution or other process upon or against any property of said Defendant, or the taking or attempting to take into possession any property in the possession of the Defendant or of which the Defendant has the right to possession, or the cancellation at any time during the Receivership proceeding herein of any insurance policy, lease or other contract with Defendant, by any of such parties as aforesaid, other than the Receiver designated as aforesaid, or the termination of telephone, electric, gas or other utility service to Defendant, by any public utility, without prior approval thereof from this Honorable Court, in which connection said Receiver shall be entitled to prior notice and an opportunity to be heard, are hereby restrained and enjoined until further Order of this Court.

6. That a Citation be issued to said Defendant, returnable to the Superior Court sitting at Providence, Rhode Island on 9-2, 2009, at 9:30 a.m. at which time and place this cause is set down for Hearing on the prayer for the Appointment of a Permanent Receiver; that the Clerk of this Court shall give Notice of the pendency of the Petition herein by publishing this Order Appointing Temporary Receiver once in The Providence Journal on or before 8-19, 2009, so long as the Receiver's Bond has been filed, and the Receiver shall give further notice by mailing, on or before 8-26, 2009, a copy of said Order Appointing Temporary Receiver to each of Defendant's creditors and stockholders whose address is known or may become known to the Receiver.

True Copy Attest

W. S. Smith, Jr.
Office of Clerk of Superior Court
Counties of Providence & Bristol
Providence Rhode Island

ENTERED as an Order of this Court this 12th day of August,
2009.

ENTER:

BY ORDER:

[Signature]
S. [Signature] 1/5/3
8/12/09

[Signature] ESJ
Clerk - Supervising

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True Copy Attest

[Signature]
Office of Clerk of Superior Court
Counties of Providence & Bristol
Providence, Rhode Island

SALTER MCGOWAN SYLVIA & LEONARD INCORPORATED

ATTORNEYS AT LAW

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August 24, 2009

TO CREDITORS AND OTHER PARTIES IN INTEREST:

Re: Receivership of Colorlith Corporation
Rhode Island Superior Court (Providence County) Case No. P.B. 09-4103

On August 12, 2009, the Rhode Island Superior Court sitting in Providence County entered an Order appointing the undersigned as Temporary Receiver of the assets of Colorlith Corporation.

A receivership is a state court insolvency proceeding. The Receiver is an Officer of the Court, appointed to represent the interests of all creditors and parties in interest. The Receiver has been appointed as a neutral, impartial Receiver, for the purpose of stabilizing the financial affairs of Colorlith Corporation, continuing its business operations if appropriate, and, subject to Court approval, after notice to all creditors, marketing and selling the business and assets for the highest value, in order to maximize recovery for creditors.

In connection with the Receivership, as set forth in Paragraph 5 of the enclosed Order Appointing Temporary Receiver, all creditors are enjoined and stayed from taking any action to enforce their claims against Colorlith Corporation and/or its assets.

There is no way of determining at this point whether there will be any money available for distributions to unsecured creditors in this case. To have your claim considered for approval and for any possible distribution thereon, all of which must first be approved by the Superior Court, and to receive notice of proceedings in this Receivership case, you must timely file a Proof of Claim with the Receiver. To facilitate that, you will be provided with a Proof of Claim form following the hearing on the appointment of a Permanent Receiver in this case, along with further information.

As indicated in the enclosed Order Appointing Temporary Receiver, the Rhode Island Superior Court has scheduled a Hearing on continuation of the undersigned as Permanent Receiver, for 9:30 a.m. on September 2, 2009. Creditors and other interested parties are welcome to attend, but are not required to do so.

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In the meantime, if you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Linda Rekas Sloan". The signature is written in dark ink and is positioned above the printed name.

Linda Rekas Sloan,
Receiver of Colorlith Corporation

Enclosure