

True Copy Attest.

Ms. S. Smith, Jr.

15203

STATE OF RHODE ISLAND
PROVIDENCE, SC.

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

JULIE DESAUTELS,
PETITIONER

VS.

C.A. NO. PM08-0931

UFO DISTRIBUTION CORPORATION,
RESPONDENT

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV
2008 MAR -3 PM 1:14

ORDER APPOINTING TEMPORARY RECEIVER

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

ORDERED, ADJUDGED AND DECREED

1. That Theodore Orson, of Providence, Rhode Island be and hereby is appointed Temporary Receiver (the "Receiver") of the Respondent.

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 Respondent, 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 Respondent, to borrow money from time to time, to purchase, for cash or upon credit, merchandise, materials and other property, to engage appraisers and/or employees and assistants, clerical or otherwise, and to pay all such individuals and entities 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.

5. That, pursuant to and in compliance with Rhode Island Supreme Court Executive Order No. 95-01, this Court finds that the designation of the aforescribed person for appointment as Receiver herein is warranted and required because of the Receiver's specialized expertise and experience in operating businesses in Receivership and in administering non-routine Receiverships which involve unusual or complex legal, financial, or business issues.

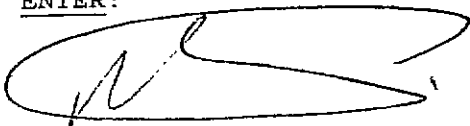
6. That the Receiver is hereby authorized and empowered to sell at public auction any or all of the assets of the Respondent. The Receiver is also authorized to engage an auctioneer and to insert such display ads within or without the State of Rhode Island as the Receiver deems proper advertising for such sale. Such a public auction sale conducted by said Receiver in accordance with the Provisions of this paragraph shall be considered and is hereby declared to be a commercially reasonable sale, and such sale shall constitute compliance with the requirements of a commercially reasonable sale as set forth in Article 9 of the Uniform Commercial Code as enacted in Rhode Island.

7. 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 Respondent 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 Respondent, or the taking or attempting to take into possession any property in the possession of the Respondent or of which the Respondent 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 Respondent, 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 Respondent, by any public utility, without obtaining 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.

8. That a Citation be issued to said Respondent, returnable to the Superior Court sitting at Providence, Rhode Island on March 7, 2008, 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 February 22, 2008, and the Receiver shall give further notice by mailing, on or before February 29, 2008, a copy of said Order Appointing Temporary Receiver to each of Respondent's creditors and stockholders whose address is known or may become known to the Receiver.

ENTERED as an Order of this Court this 15 day of Feb, 2008.

ENTER:



Associate Justice Silvio Sisti

Dated: 2/15/08

BY ORDER:



Clerk, Superior Court

cmw



ORSON AND BRUSINI LTD

COUNSELLORS AT LAW

February 29, 2008

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV
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TO CREDITORS AND OTHER PARTIES IN INTEREST:

Re: UFO Distribution Corporation

On February 15, 2008, the Rhode Island Superior Court, sitting in Providence County (the "Court"), entered an Order appointing the undersigned as Temporary Receiver of the assets of UFO Distribution Corporation ("UFO"). UFO owns the real estate at 266 Main Street, Harrisville, Rhode Island. All business operations terminated prior to the appointment of a Receiver.

As the Receiver, I am an Officer of the Court, appointed to represent the interests of all creditors and parties in interest. I do not now, nor have I ever represented UFO or its stockholders. I have been appointed as a neutral and impartial Receiver for the purpose of marketing and selling the assets of UFO for the highest value, in order to maximize recovery for creditors. If you have any interest in receiving a bid packet for the real estate and other assets, please contact the undersigned.

Preliminarily, it appears that UFO has secured debt of approximately \$750,000, no priority tax debt, and general unsecured debt in an amount to be determined.

In connection with the Receivership, as set forth in Paragraph 6 of the enclosed Order Appointing Temporary Receiver, all creditors are enjoined and stayed from taking any action to enforce their claims against UFO and/or its assets.

No claims will be approved and no distribution to creditors will take place without notice to all creditors and other parties in interest who file a Proof of Claim with the Receiver, after a Hearing thereon before the Rhode Island Superior Court.

INTERESTED PARTIES

February 29, 2008

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In order that your interests be protected and to make sure that you receive notice of all appropriate court filings in connection with this case, I am taking the liberty of enclosing a Proof of Claim form which I suggest that you complete, execute before a Notary Public, and return to me at the earliest possible date.

As indicated in the enclosed Order, the Rhode Island Superior Court has scheduled a Hearing on continuation of the undersigned as Permanent Receiver for 9:30 a.m. on March 7, 2008. Creditors and other interested parties are welcome to attend, but are not required to do so.

If you have any questions regarding any aspect of the foregoing, please feel free to contact the undersigned.

Very truly yours,



Theodore Orson,
Receiver of UFO Distribution Corporation

Enclosures