

**FERRUCCI
RUSSO** | BUSINESS LITIGATION
RECEIVERSHIP
PROJECT DEVELOPMENT

55 PINE STREET, PROVIDENCE, RI 02903
401.455.1000 www.FRLAWRI.COM

32477

2013 DEC 24 AM 9:48
SECRETARY OF STATE
CORPORATIONS DIV

December 23, 2013

TO: CREDITORS AND OTHER PARTIES IN INTEREST

Re: *David Friedman Trust u/t/d October 21, 2002, by Daniel J. Ryan its Trustee v. Paramount Restaurant Supply Corp., C.A. No.: PB13-5509*

On December 17, 2013, the Rhode Island Superior Court in Providence County entered an Order, a copy of which is enclosed, appointing W. Mark Russo, Esq., Permanent Receiver of Paramount Restaurant Supply Corp. ("Paramount").

A Receivership is a State Court-supervised liquidation proceeding. The Receiver is an Officer of the Court, appointed for the purpose of representing the interest of all creditors and parties in interest. As Receiver, I have been authorized to liquidate the assets of Paramount in order to obtain the maximum recovery for those creditors entitled to a distribution in accordance with their respective rights. No distribution to any creditors will take place without notice to all creditors and parties in interest of a hearing on any such sale or any such claims before the Rhode Island Superior Court.

In order that your interests be protected and that you receive notice of all pleadings in connection with this case, enclosed is a Proof of Claim form which I suggest you complete, execute before a Notary Public and return to me at the earliest possible date so that you will be certain to receive notice of all aspects of this proceeding and your rights will be protected accordingly. The deadline for the Proof of Claim to be filed with me, as Receiver, is January 15, 2014.

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

Very truly yours,

FERRUCCI RUSSO P.C.



W. Mark Russo, Esq.
as and only as Permanent Receiver
of Paramount Restaurant Supply Corp.

Enclosure

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

DAVID FRIEDMAN TRUST U/T/D
OCTOBER 21, 2002, BY DANIEL J.
RYAN, ITS TRUSTEE

v.

PARAMOUNT RESTAURANT
SUPPLY CORP.

C.A. No.: PB 13-5509

2018 DEC 24 AM 9:48
SECRETARY OF STATE
CORPORATIONS DIV.

ORDER APPOINTING PERMANENT RECEIVER

This cause came to be heard on the Petition for Appointment of Receiver for the Respondent, and it appearing that the notice provided by the Order of this Court previously entered herein has been given, and upon consideration thereof, it is hereby

ORDERED, ADJGDGED AND DECREED:

1. That W. Mark Russo, Esquire of 55 Pine Street, Suite 300, Providence, Rhode Island, be and hereby is appointed Permanent Receiver (the "Receiver") of Respondent, and of all the estate, assets, effects, property and business of Respondent of every name, kind, nature and description, with all the powers conferred upon the Receiver by the Rhode Island General Laws, by this order, or otherwise, and with all powers incidental to the Receiver's said Office.

2. That said Receiver shall, no later than five (5) days from the date hereof, file herein a bond in the amount of \$10,000.00 with corporate surety thereon authorized to do business in the State of Rhode Island conditioned that the Receiver will well and truly perform the duties of said Office.

3. That said Receiver be and hereby is authorized, empowered and directed to take possession and charge of said estate, assets, effects, property and business of the Respondent, including cash surrender value of any insurance owned by Respondent, and to preserve the same, and is hereby vested with title to the same; to collect and receive the debts, property and other assets and effects of said Respondent, including such cash surrender value, with full power to prosecute, defend, adjust and compromise all claims and suits of, by or against said Respondent and to appear, intervene or become a party in all suits, actions or proceedings relating to said estate, assets, effects and property as may in the judgment of the Receiver be necessary or desirable for the protection, maintenance and preservation of the property and assets of said Respondent.

4. That this appointment is made in succession to the appointment of Temporary Receiver heretofore made by Order of this Court, and the Receiver shall take and be vested with the title to all assets, property and choses-in-action which have heretofore accrued to the Temporary Receiver with power to confirm and ratify in writing such agreements as are entered into by such Temporary Receiver and to carry out and perform the same.

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5. That the Receiver is authorized, in the Receiver's discretion, to continue the business of the Respondent until further order of this Court, and to employ such persons as may be desirable for the foregoing purposes and, in connection therewith, to use such moneys as shall come into the Receiver's hands and possession, as far as the same shall be necessary, for the above purposes and for continuing the business of said Respondent until further order of this Court.
6. That the Receiver is authorized to incur expenses for goods and services and to purchase for cash such merchandise, supplies and materials as in the Receiver's discretion may be desirable or necessary for continuance of the business of the Respondent.
7. That said Receiver be and hereby is authorized and empowered to sell, transfer and convey said Receiver's right, title and interest and the right, title and interest of said Respondent in and to any real property or personal property, tangible or intangible, for such sum or sums of money as to said Receiver appears reasonable and proper, at private sale or sales, provided, however, that approval is first given for such sale or sales by this Court on *ex parte* application by the Receiver, or after such notice as the Court may require.
8. That the Receiver is hereby authorized and empowered to sell at public auction any or all of the assets referred to in Paragraph 7. 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.
9. Paragraphs 5-8, hereof, are granted in part by this Court Order Approving the Temporary Receiver's Petition for Authority to Pursue an Expedited Sale of Assets dated November 14, 2013 (the "Temporary Receiver's Sale Order").
10. That said Receiver be, and hereby is, authorized and empowered, as soon as there are sufficient funds available, to pay all City, State and United States taxes of any kind, nature and description, including withholding taxes, as well as wages due employees, with such employees being relieved of the necessity of filing claims with the Receiver unless the amount paid or shown on the books of the Respondent is not acceptable to any employee, in which case said employee may file his/her claim in the same manner as other creditors.
11. In fulfillment of the reporting requirements set forth in Rule 66 (e) of the Superior Court Rules of Civil Procedure, the Receiver shall file with the Court the Reports referred to in said Rule, as and when the Receiver deems necessary or advisable under the circumstances, or, in any event, as and when required by Order of this Court. In addition, the Receiver shall file with the Court, on or before May 1 and October 1 of each year, a Receivership Control Calendar Report in accordance with Rhode Island Superior Court Administrative Order No. 98-7.
12. That the Receiver shall continue to discharge said Receiver's duties and trusts hereunder until further order of this Court; that the right is reserved to the Receiver and to the parties hereto to apply to this Court for any other or further instructions to said Receiver and that

this Court reserves the right, upon such Notice, if any, as it shall deem proper, to make such further orders herein as may be proper, and to modify this Order from time to time.

13. In accord with the Temporary Receiver's Sale Order, all creditors or other claimants hereby are ordered to file under oath with the Receiver at 55 Pine Street, Providence, Rhode Island 02903 on or before **January 15, 2014**, a statement setting forth their claims, including, but without limiting the generality of the foregoing, the name and address of the claimant, the nature and amount of such claim, a statement of any security or lien held by the claimant to which such claimant is or claims to be entitled, and also a statement as to any preference or priority which the claimant claims to be entitled to over the claims of any other or all other claimants or creditors.

14. 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.

15. That Notice be given of the entry of this Order by the Clerk of this Court by publication of a copy of the annexed Receivership Notice in The Providence Journal on or before the day of 24th of December 2013, and by the Receiver mailing on or before the day of 31st December 2013, a copy of said Receivership Notice to each creditor and stockholder of said Respondent known as such to the Receiver, or appearing as such on the books of said Respondent, addressed to each such stockholder or creditor at his last known address.

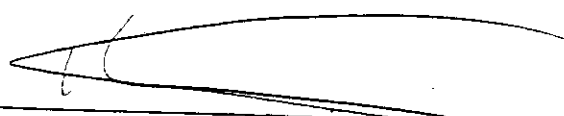
16. This Order is entered by virtue of and pursuant to this Court's equity powers and pursuant to its powers as authorized by the laws and statutes of the State of Rhode Island.

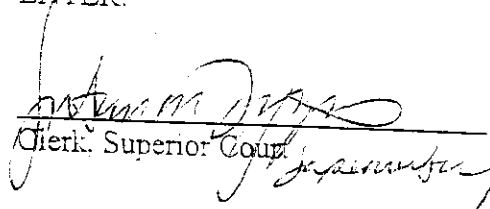
ENTERED, as an Order of this Court this 17th day of December, 2013.

BY ORDER:

ENTER:

Honorable Justice


SILVERSTEIN
12/17/2013


Clerk, Superior Court

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

DAVID FRIEDMAN TRUST U/T/D
OCTOBER 21, 2002, BY DANIEL J.
RYAN, ITS TRUSTEE

v.

PARAMOUNT RESTAURANT
SUPPLY CORP.

C.A. No.: PB 13-5509

ORDER

On December 16, 2013, this Court heard the Temporary Receiver, W. Mark Russo's Report and Request for Fees and Expenses, and after hearing on the matter, it is hereby

ORDERED:

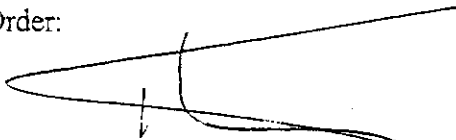
1. The Temporary Receiver's Report and Request for Fees is approved;
2. The Temporary Receiver is also authorized to pay:
 - a. \$80,342.18 due and payable to Ferrucci Russo P.C. for fees and expenses incurred from October 30, 2013 up through November 30, 2013.
 - b. \$13,555.00 due and payable to the accounting firm of Kahn, Litwin, Renza & Co. pursuant to the authority granted to the Temporary Receiver by this Court; and
 - c. \$1,822.40 due and payable to the law firm of Roberts, Carroll, Feldstein & Peirce, Inc. pursuant to the authority granted to the Temporary Receiver by this Court.
 - d. The fees due and owing to Marerma Partners, LLC are continued up until January 6, 2014.
3. The Temporary Receiver's request for an administrative reserve is continued up and until January 6, 2014.

SUPERIOR COURT
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4. That all of the Temporary Receiver's acts, doings, and disbursements as of the filing date of the Temporary Receiver's Report and Request for Fees are hereby approved, confirmed and ratified.

Enter as an Order of this Court this 18 day of December, 2013

Per Order:



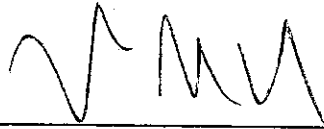
Silverstein J.
12/18/2013

Entered:


Jeanne Rinaldi, Deputy Clerk

12-18-2013 Clerk

Submitted by:



W. Mark Russo (#3937) as and only as Temporary Receiver of Paramount Restaurant Supply Corp.

Ferrucci Russo P.C.

55 Pine Street, 4th Floor

Providence, RI 02903

Tel: (401) 455-1000

E-mail: mrusso@fralwri.com

Dated: December 18, 2013

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