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January 27, 2006

TO ALL CREDITORS AND PARTIES IN INTEREST:

Re: David A. Resnik and Vincent Zibelli
Vs: Emblem & Badge, Inc.
P.M. #06-171

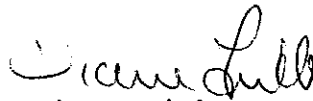
Previously you received a copy of an Order of the Providence County Superior Court in the receivership proceeding of Emblem & Badge, Inc., authorizing the Receiver to obtain post-receivership financing from Presidential Financial Corporation of Massachusetts, pursuant to a loan arrangement that was in effect with the Company prior to the receivership proceeding. That authorization expires on February 14, 2006, and the Receiver has filed the enclosed Motion for Order Extending Post-Petition Financing Arrangements and accompanying Post-Petition Financing Extension Order with the Court, which seeks to continue the financing to April 1, 2006. **The Court will consider this Motion at a hearing to be held at 9:30 a.m. on February 7, 2006, in Courtroom 15, 4th Floor of the Providence County Superior Court, 250 Benefit Street, Providence, Rhode Island.**

If you have any questions, please do not hesitate to contact the undersigned.

Creditors and parties in interest are welcome to attend the Hearing, but are not required to do so.

Very truly yours,

WINOGRAD, SHINE & ZACKS, P.C.


Diane Finke

DF/eg
Enclosures

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parties herein, as set forth in the Receiver's Affidavit of Notice filed in connection with the Financing Motion, and such notice constitutes adequate and due notice to Defendant's creditors and other interested parties;

C. The relief granted by this Court pursuant to this Order is necessary to avoid immediate and irreparable harm and injury to E&B's estate; and

D. Adequate and sufficient cause has been shown to justify the granting of the relief requested herein, and the entry of this Order.

ACCORDINGLY, IT IS HEREBY ORDERED ADJUDGED AND DECREED, that:

1. The Extension Motion is granted and approved.
2. The Receiver is hereby authorized and empowered to continue to borrow and obtain the loans and advances from the Lender pursuant to the terms of this Order and the terms and conditions set forth in the Loan Documents, (as defined in the Financing Motion), as amended by the Financing Order and this Order and subject to the defaults under the Loan Documents existing as of the commencement of this receivership proceeding (the "Petition Date"), which defaults will continue during the receivership proceeding (the "Existing Defaults"). Such borrowing shall be in such amounts as may be made available to the Receiver by the Lender in accordance with the applicable lending formulas and the terms and conditions set forth in the Loan Documents, as so amended, and in accordance with the budget attached hereto as **Exhibit A** (the "Budget") for the post-receivership period through and including April 1, 2006.
3. Notwithstanding anything to the contrary contained herein, or in the Loan Documents, or any other document or instrument executed in connection therewith, any and all loans and advances made by Lender to the Receiver and/or EB hereunder shall be made at the

sole discretion of the Lender. Lender shall continue (a) its pre-petition accounting for loan advances, repayments, and loan charges on the E&B loan accounting and (b) its pre-petition practice pursuant to the Loan Documents of directly collecting and accounting for the accounts receivable. Such accounting shall be provided by the Lender at such times as may from time to time be required by the Receiver. Lender shall provide written notice to the Receiver if it determines that it will no longer make loans or advances to E&B. Notwithstanding the foregoing, Lender agrees that its Collateral (as said term is defined below) may be charged as necessary to enable the Receiver to pay those costs and expenses of operating E&B's business incurred prior to the Receiver's receipt of said Notice so long as such costs and expenses were incurred in accordance with the Budget.

4. To secure the prompt payment of any loan, advances or other obligations made by Lender to E&B on and after the Petition Date (the "Post-Receivership Obligations"), Lender shall have and is hereby granted, effective as of the Petition Date, continuing valid and perfected first priority security interests, mortgages and liens, superior to all other creditors of E&B's receivership estate, in and upon all of the existing and future assets and property of E&B, whether acquired prior to, concurrently with or after the Petition Date, (collectively, the "Collateral"), but subject to (i) any duly perfected liens recorded prior to the filing of a UCC Financing Statement by the Lender (ii) any and all claims of any federal, state or local governmental entities afforded priority over the claims and liens of Lender by operation of law and (iii) true leases, duly perfected financing leases, and duly perfected purchase money security interests in specific personal property (collectively the "Prior Liens").

5. As additional security for all Post-Receivership Obligations of E&B to Lender pursuant to the Financing Order and this Order, and in addition to the foregoing, Lender is

granted an allowed administrative claim in the amount of all Post-Receivership Obligations which shall have priority in right of payment over any and all other obligations, liabilities and indebtedness of E&B and/or the Receiver, now in existence or hereafter incurred by E&B and/or the Receiver, and over any and all administrative expenses or priority claims of any nature, subject only to the "Receiver's Fee Carve-Out" (as defined below), the Prior Liens and the provisions of Paragraph 7 herein. No additional filings of financing statements shall be required by Lender to effectuate such lien priority for the post-Receivership Obligations.

6. In the event there are insufficient assets in the receivership estate to satisfy the fees and expenses of the Receiver, the security interests and liens granted hereby to Lender upon the Collateral and its administrative expense claim shall be subordinate only to the amount of any outstanding and unpaid Allowed Receiver's Fees in an aggregate amount not to exceed \$15,000 (the "Receiver's Fee Carve-Out").

7. The Receiver and E&B are hereby authorized to perform all acts, and execute and comply with the terms of such other documents, instruments, and agreements as the Lender may reasonably require as evidence of and for the protection of the Obligations, the Collateral, or which may be otherwise deemed necessary by Lender to effectuate the terms and conditions of this Order and the Loan Documents.

8. In the event of the occurrence of any of the following: (a) the expiration of the Receiver's authority to borrow and obtain other credit accommodations from the Lender pursuant to the terms of the Loan Documents, as amended by the Financing Order, this Order, and with the Existing Defaults or; (b) the failure of the Receiver and/or E&B to perform in any respect any of their obligations pursuant to this Order, including adhering to the Budget, (the foregoing being referred to in this Order, individually as an "Event of Default," and collectively

as "Events of Default"), then (unless such Event of Default is specifically waived in writing by Lender, which waiver shall not be implied from any earlier action, inaction or acquiescence by Lender) and upon or after the occurrence of any of the foregoing which is continuing, and at all times thereafter, the Post Receivership Obligations shall become immediately due and payable. Lender shall provide the Receiver and E&B with written notice of any Event of Default asserted by Lender. Lender shall have no obligation to lend or advance any additional funds to E&B or the Receiver, or provide other financial accommodations to E&B or the Receiver upon or after the occurrence of an Event of Default; provided, however, and notwithstanding the foregoing, Lender agrees that its Collateral may be charged as necessary to enable the Receiver to pay those costs and expenses of operating E&B's business incurred prior to the Receiver's receipt of said Notice so long as such costs and expenses were incurred in accordance with the Budget.

9. The provisions of the Financing Order and this Order shall inure to the benefit of the Receiver and the Lender and shall be binding upon E&B, the Receiver and the Lender and their respective successors and assigns.

10. To the extent the terms and conditions of the Loan Documents are in conflict with the terms and conditions of this Order, the terms and conditions of this Order shall control.

11. The terms of this Order shall be valid and binding upon the Receiver, E&B, all creditors of E&B and all other parties in interest from and after the date of the entry of this Order.

12. All terms, provisions and conditions contained in the Financing Order, as modified herein, shall extend and apply to any and all additional advances made by Lender pursuant to this Order. All claims, security interests, liens and mortgages allowed, approved, granted or extended by this Court in favor of Lender pursuant to the Financing Order shall

continue to apply with respect to all loans and advances made by Lender to the Receiver and/or E&B prior to the date of this Order and, in addition thereto, shall further extend and apply to any and all additional advances made pursuant hereto.

ENTER.

PER ORDER:

Dated: _____, 2006

CONSENTED AND AGREED TO THIS _____ DAY OF _____, 2006, BY:

Emblem & Badge, Inc.

Presidential Financial Corporation of
Massachusetts

By: _____
David Resnik, President

By its Attorneys,

Emblem & Badge, Inc.

Richard Morneau, Esq.
Moneau & Murphy
38 North Court Street
Providence, RI 02903

By its Attorneys,

Russell Raskin, Esq.
Raskin and Berman
116 East Manning Street
Providence, RI 02906

Allan M. Shine, in his capacity as Receiver
of Emblem & Badge, Inc., and not
individually

EXHIBIT A

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Emblem & Badge, Inc. - Receivership Estate	2	3	4	5	6	7	8	9	W/E	W/E	W/E	W/E	W/E	Totals
Cashflow Projections	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	W/E	
1/21/2006	1/28/2006	2/4/2006	2/11/2006	2/18/2006	2/25/2006	3/4/2006	3/11/2006	3/18/2006	3/25/2006	4/1/2006				
\$0	\$4,442	\$2,298	\$6,548	\$8,487	15,151	4,342	17,927	18,757	26,798	25,407			0	
Cash Disbursement:														
Payroll	(12,085)	(13,545)		(14,365)	(15,354)		(15,298)		(15,354)				(86,003)	
Payroll taxes	(6,148)	(7,025)		(7,432)	(7,924)		(7,805)		(7,924)				(44,258)	
W/C Insurance	(735)	(735)		(735)	(735)		(735)		(735)				(4,407)	
Payroll processing expense	(85)	(85)		(85)	(85)		(85)		(85)				(507)	
Health Insurance			(3,043)		(3,043)								(6,086)	
Auto Insurance	(4,158)												(4,158)	
Shop Costs	(8,348)	(2,862)	(10,388)	(2,000)	(450)	(5,850)	(3,200)	(1,250)					(34,347)	
Rent	0	0	(9,778)	0	0	(8,480)	(8,480)	0	0	(8,480)			(28,738)	
Telephone			(1,600)			(2,000)		(2,250)					(5,850)	
Electric/Gas/Oil	(1,500)	0	(1,475)	(1,772)	(1,670)	(1,395)	(1,475)	(70)	(1,625)	(1,710)			(14,167)	
Estate Admin. Costs				(5,000)	(5,000)		(7,500)		(5,000)				(32,500)	
Credit card fees		(120)	(230)	(266)	(179)	(183)	(265)	(237)	(217)	(217)			(2,130)	
Presidential Repayments/Debt Svc													0	
NSF paychecks - pre-petition		(2,571)	(1,410)										(3,981)	
Close E Greenwich		(500)											(500)	
Sales taxes (RI & MA)				(816)	(4,030)	(700)	(4,357)	(350)	(550)	(550)			(2,500)	
Other/Miscellaneous	0	(300)	(906)	(32,471)	(12,579)	(37,269)	(25,277)	(25,829)	(10,892)	(26,574)			(13,972)	
	(33,058)	(27,743)	(28,831)	(32,471)	(12,579)	(37,269)	(25,277)	(25,829)	(10,892)	(26,574)			(282,105)	
Cash Receipts:														
Presidential Capital Advances	7,801	8,600	21,489	16,664	14,793	14,249	28,723	10,860	10,742	10,742			155,405	
Presidential Capital Over-Advances	25,000		(3,750)		(7,500)		(7,500)		(6,250)				0	
Other Collections		6,498											6,498	
Credit card sales		2,500											2,500	
Cash sales	4,699	8,000	15,342	17,746	11,951	12,211	17,639	15,800	14,440	14,441			146,709	
	37,500	25,598	33,081	34,410	19,243	26,460	38,861	26,660	18,932	25,183			311,112	
Ending Cash Balance	4,442	2,298	6,548	8,487	15,151	4,342	17,927	18,757	26,798	25,407			29,007	