

November 13, 2025

VIA EMAIL: mbecker@whitewater-wi.gov

City of Whitewater Community
Development Authority
Attn: Mason Becker
312 Whitewater Street
Whitewater, WI 53190

Dear Mason,

This letter provides a status update on all open collection matters Stafford Rosenbaum (“Stafford”) is handling for the City of Whitewater, Community Development Authority (“CDA”) as of the date of this letter.

1. Fine Food Arts LLC/Jay Stinson/ Daniel Rodriguez/K.L.D. LLC

A. Status

Since the Court entered default judgment against Fine Food Arts LLC and granted CDA’s motion for leave to supplement its complaint to add Daniel Rodriguez and K.L.D. LLC as defendants on September 5, 2025, we have worked to serve process on Mr. Rodriguez and K.L.D. and identify the most efficient path towards recovering on the debt owed to CDA.

Our process server managed to serve K.L.D. on September 23, 2025, by delivering a copy of CDA’s supplemental summons and complaint to its registered agent in Appleton, Wisconsin. Then, as Mr. Rodriguez could not be served in person after six attempts, we engaged Southern Lakes Newspapers LLC to publish service against him, starting September 26, 2025. Though he is not yet required to, Mr. Rodriguez answered CDA’s supplemental complaint by generally denying liability on October 10, 2025.

While the Court has accepted CDA’s supplemental complaint, we are still awaiting a formal order that the defendants must respond to it. We filed a letter on September 23, 2025, asking that the Court enter such an order. We will address this request at the hearing in this matter on December 5, 2025—which was rescheduled from October 17, 2025, due to Attorney Higgins’s military leave.

At the hearing on December 5, we will also argue the appropriate amount of attorney fees and other legal expenses that CDA is entitled to from Fine Food under the terms of its agreements. That amount, once determined (we requested \$21,664.50 in fees and \$2,123.30 in expenses), will be added to CDA’s judgment against Fine Food, which is currently for \$35,939.24, plus post-judgment interest. Once we have a judgment against Mr. Stinson, we will have a basis to demand these amounts (as determined) against him, as well, under the language of CDA’s contracts with him.

Since our last update, we have also been communicating with Mr. Stinson’s counsel to gather information and determine his collectability. Mr. Stinson’s attorney has represented that Mr.

Stinson is too poor to pay the fee advance his attorney requires to file a bankruptcy petition on his behalf. While we do not have any confirmation of that representation, it is likely that Mr. Stinson may seek bankruptcy relief in the near future—once he is able to come up with the necessary advance (which his attorney represented to be \$2,000). We will assess CDA’s options, including to object to the dischargeability of the debt Mr. Stinson owes to CDA, if that comes to pass.

Our talks with Mr. Stinson’s counsel have also yielded an unsigned copy of an agreement purporting to convey Mr. Stinson’s interest in Fine Food to Mr. Rodriguez. We have not been able to confirm (other than through his counsel’s representations) that this agreement—in the form that we have it—was ever signed. However, other public records we have been able to find do suggest that Mr. Rodriguez now owns and controls Fine Food. This is also consistent with Mr. Rodriguez’s answer to CDA’s supplemental complaint, which includes, “The agreement for sale of the business clearly states that I am not responsible for any debts or liabilities incurred before sale.”

B. Next Steps

We plan to prepare limited discovery requests for both Mr. Stinson and Mr. Rodriguez in hopes of identifying (1) the ownership of CDA’s collateral; and (2) its disposition. CDA currently has the right to obtain a writ of replevin against Fine Food to recover the collateral. So, as long as it is still in Fine Food’s possession, we will be able to proceed and being the process of recovering and liquidating the collateral to offset CDA’s costs and loses from this deal.

To the extent K.L.D., not Fine Food, now has possession of the collateral, after the hearing on December 5, we will be able to move for default judgment against K.L.D. once the time period the Court grants it and Stinson to answer the supplemental complaint expires—assuming that K.L.D. does not properly answer through an attorney. A default judgment against K.L.D. would enable CDA to obtain a writ of replevin against it, as well. We will similarly seek default judgment against Mr. Stinson if he fails to respond to CDA’s supplemental claims.

If Mr. Rodriguez now has possession of the collateral, we will likely seek summary judgment for replevin against him, as his acquisition of Fine Food does not defeat CDA’s lien, once discovery is complete.

With respect to CDA’s claims against Mr. Stinson, we will continue to investigate his collectability and assess the merits of pursuing him once the collateral is recovered. While a judgment for conversion (which is an intentional tort) may be insulated from discharge in a bankruptcy proceeding, if the facts that come to light reveal that we may struggle to prove that Mr. Stinson knowingly converted CDA’s property or otherwise collect against him, we may advise that CDA’s costs and expenses in pursuing Mr. Stinson are not likely to lead to a more valuable, recoverable judgment.

2. Scanalytics Inc.

Status Update

We filed a complaint against Scanalytics Inc. on October 25, 2025. Mr. Scalin was served on October 31, 2025. His answer to the complaint is due on October 19, 2025.

On November 3, 2025, Mr. Scalin contacted Mr. Becker informing him that he is in the process of selling the business and paying the CDA in full. Per Mr. Becker, Mr. Scalin requested that the lawsuit be dismissed to not interfere with the sale transaction. We advised Mr. Becker to have Mr. Scalin's attorney contact Stafford Rosenbaum in order for us to review the sale documents and ensure that the CDA would indeed be paid in full. To date, neither Mr. Scalin nor his attorney has contacted us.

Next Steps

The next step would be to work with Mr. Scalin and his attorney to make sure the CDA is protected in case the collateral is indeed sold. Mr. Becker should follow up with Mr. Scalin again to check on status.

3. SafePro Technologies Inc.

Status Update

Loan documents were signed in August 2025.

Next Steps

Ensure timely payments and compliance with loan covenants.

4. Slipstream LLC

Status Update

We filed the complaint with the circuit court on April 16, 2025, and the defendants filed their answer on May 9, 2025. Stafford met with opposing counsel on May 29, 2025, during which we learned that Slipstream consents to judgment being entered against it in relation to both the Secured Promissory Note dated September 23, 2014 in the original amount of \$42,000, and the Business Credit Agreement dated May 27, 2015 in the original amount of \$32,000. Additionally, the defendant has indicated willingness to surrender all business assets to the CDA. Unfortunately, because Slipstream has not been operating for a few years and has no revenues, the only recovery CDA can expect is to repossess the business assets.

Stafford attended a status hearing where we informed the judge of our intent to settle the case in exchange for consent judgment and surrender of assets.

On October 28, 2025, the Court entered an Order of Consent Judgment against Slipstream LLC in the amount of \$371,860.07. Additionally, the Court ordered that Slipstream surrenders all of its assets within 30 days from entry of the order. Per Mr. Becker's request, Stafford Rosenbaum requested more information regarding Slipstream's software. Despite several follow-ups, Stafford has not received a response from counsel for Slipstream.

Next Steps

Coordinate surrender of assets and obtain more information regarding software. Slipstream has until November 27, 2025 to surrender its assets to the CDA.

5. Inventalator, Inc.

Status Update

In January 2025, Stafford prepared an Amended and Restated Promissory Note for the borrower. Pursuant to the Note, Inventalator was required to submit to the CDA by March 31, 2025:

“a balance sheet and profit and loss statement together with a statement of cash flows and applicable notes to the financial statements of Maker for each prior fiscal period, prepared in accordance with GAAP and reviewed by an independent certified public accountant. Such financial statements shall include: (i) the accountant's management letter, if any; and (ii) a written certification by Maker's chief financial officer or other executive officer that the financial statements present fairly the financial condition, results of operations, and cash flows of Maker as of the dates and for the periods indicated, in accordance with GAAP.”

Additionally, by June 30, 2025, Inventalator is required to “make a payment in an amount equal to Maker's total royalties due to Maker based on Maker's total revenues generated in 2024.”

Our review of the financial statements provided to the CDA by Inventalator show that the statements are for the 1Q of 2025, instead of the financial statements for the 2024 fiscal year. This is concerning because the payment due on June 30, 2025 will be based on the total royalties due to Inventalator based on Inventalator's total revenues generated in 2024. Without the 2024 financial statements, the CDA would be unable to verify that the payment it receives from the borrower is accurate.

Next Steps

Request the 2024 financial statements “prepared in accordance with GAAP and reviewed by an independent certified public accountant” which shall include “(i) the accountant's management letter, if any; and (ii) a written certification by Maker's chief financial officer or other executive officer that the financial statements present fairly the financial condition, results of operations, and cash flows of Maker as of the dates and for the periods indicated, in accordance with GAAP.”

Please let us know if you have any questions or concerns. We are happy to supplement this status update as needed. Per discussions with Mr. Becker, Inventalator has expressed interest in paying back the loan in full.

6. Edgerton Hospital.

Review of loan documents.

Status

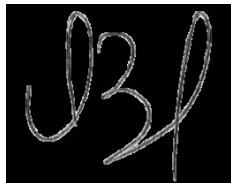
We had a meeting with the CDA team to discuss the adequacy of the loan documents and potential need for amendments. We identify certain areas for improvement, including, better defined events of default.

Next Steps

CDA needs to determine specific requirements needed for the loan to be forgiven and communicate need for amendment with borrower. Once approved, Stafford team will prepare an amendment.

Best regards,

STAFFORD ROSENBAUM LLP

A black and white image of a handwritten signature, likely in silver or white ink on a dark background. The signature is stylized, appearing to start with a large 'I' followed by 'A' and 'V'.

Iana A. Vladimirova

IAV: nkb

cc: Ian Lane
Mason Higgins