

September 9, 2025

VIA EMAIL: bswenson@whitewater-wi.gov

City of Whitewater Community
Development Authority
Attn: Betsy Swenson
312 Whitewater Street
Whitewater, WI 53190

Dear Betsy,

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

Status

On September 5, 2025, the Court granted CDA’s motion for default judgment against Fine Food Arts LLC. The Court also granted CDA’s motion for leave to supplement its complaint and bring in Daniel Rodriguez and K.L.D. LLC.

We are in the process of serving Mr. Rodriguez and K.L.D. with CDA’s amended summons, complaint, and supplemental complaint. The service package for Mr. Rodriguez also includes a letter and copy of the Court’s default judgment order. The letter asked that Mr. Rodriguez contact us immediately in his capacity as the owner of Fine Food Arts to arrange for Fine Food Arts to pay its judgment and turn over CDA’s collateral.

After CDA agreed to withdraw its motion for default judgment against Jay Stinson in exchange for his agreement to withdraw his motion to dismiss, Mr. Stinson answered CDA’s original complaint by generally denying CDA’s allegations. We will be in touch with his counsel regarding his obligation to answer the allegations in CDA’s supplemental allegations and to begin exploring whether some sort of settlement may be in prospect.

Next Steps

Once Mr. Rodriguez and K.L.D. are served, they will have 20 days to answer CDA’s allegations. Once they have answered, we will seek a scheduling conference to schedule out the remaining steps of the lawsuit.

If Mr. Rodriguez does not respond to CDA’s letter and cooperate in arranging for CDA to recover its collateral, we will seek a writ of replevin. This is a fairly straightforward process that directs the sheriff to assist in recovering the property.

Questions for the Board

What does CDA know about Fine Food Arts operations? What does CDA know about K.L.D.'s operations? Does CDA know anything about Mr. Rodriguez's financial condition? Jay Stinson's counsel is representing that he is insolvent. So, we want to make sure we understand CDA's best path towards recovering on its claims.

2. Scanalytics Inc.

Status Update

We sent a demand letter to Joseph Scanlin on April 9, 2025, seeking to recover sums owed to CDA under a promissory note, security agreement, and forbearance agreement. The demand letter sent to 10700 W. Research Dr., Suite 350, Wauwatosa, WI 53226 was returned as undeliverable.

We followed up with a new demand letter on June 23, 2025 to the following address: 260 E. Highland Ave. #500, Waukesha, WI 53188. We received no response.

Next Steps

Determine whether to file a formal complaint. The statute of limitations deadline is October 25, 2025.

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,

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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.

Next Steps

Coordinate entry of consent judgment and surrender of assets.

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.

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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 handwritten signature in black ink, appearing to read 'IAV', is positioned below the firm name.

Iana A. Vladimirova

IAV:nkb

cc: Ian Lane
Mason Higgins