EQUIGUARD®, INC.

RETURNED CHECKS PRE-BANKRUPTCY

We understand that some of our customers had claims checks returned which were issued by Equiguard prior to the Chapter 11 Reorganization Petition of August 28, 2009. Some of the checks were returned marked "NSF". Please know that the checks should have been marked "Account Frozen" and not "NSF".

Equiguard had sufficient funds in its accounts to cover all checks written. However, the rules under a Chapter 11 filing prevent Equiguard from paying any of its pre-bankruptcy obligations without Bankruptcy Court approval. With the assistance of counsel, we are assessing all available grounds to re-issue the dishonored checks or have the obligations otherwise satisfied, and we will keep you apprised of our progress. Rest assured that all checks which are issued post bankruptcy are in fact good funds and fully collectable.

We further understand that bank fees have been charged as a result of the returned checks. Equiguard will issue a Visa debit card in the sum amount of $15.00 for each returned check to your company to cover fees incurred for the dishonored checks.

Again, we regret this matter and the negative impact it has caused your business and greatly appreciate your continued support.

Sincerely,

P. Dikeos

Peter Dikeos
Senior Vice President of Operations

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