

**PRESS RELEASE**  
**REDISHRED CAPITAL CORP.**  
Mississauga, Ontario  
June 30, 2010

**REDISHRED CAPITAL CORP. ANNOUNCES ACQUISITION AND DISCUSSES COMPLAINT BY FRANCHISEES**

**Acquisition of Albany Franchise:**

Redishred Capital Corp ("Redishred") (TSXV: KUT) confirmed that it has completed the acquisition of the Proshred Albany business from its existing franchisee for an aggregate purchase price of \$380,000 (subject to customary adjustments). The purchase price does not include contingent consideration which is dependent on the business attaining certain revenue targets.

Redishred will draw \$700,000 from its line of credit facility to finance:

1. the purchase of the Proshred Albany assets,
2. a new shredding vehicle for the Albany market, and
3. initial working capital for the acquired business.

This acquisition further solidifies Redishred's operating position in Upper State New York as the Albany business will be managed from the existing Syracuse corporate location.

Mr. Robert Crozier, CEO of Redishred noted that "we are very pleased to have conducted our second acquisition in as many months. Our plan is to integrate the Albany location with our existing Syracuse location, which will create many operational synergies." Mr. Crozier further noted that "we look forward to continuing to provide the most secure solution for destroying confidential information for our clients, and we look forward to working with fellow Albany businesses and the community by hosting a number of community shredding events in the near future."

**Complaint filed by three franchisees:**

Three franchisees that operate Proshred Franchises filed a complaint with the United States District Court, Southern District of New York. The Complaint has listed the following causes of action, (1) Breach of Contract and Breach of the Implied Covenant of Good Faith and Fair Dealing by Redishred Capital Corp's subsidiary Proshred Franchising Corp. ("PFC"), (2) Fraudulent Misrepresentation by PFC, (3) Negligent Misrepresentation by PFC, and (4) Violation of various state laws by PFC. These franchisees are located in Florida, North Carolina and Wisconsin. There are currently 17 Proshred offices that operate in 19 service locations in the United States.

Redishred Capital Corp. (including its subsidiary PFC) is strongly of the view that it (1) has not breached any contracts or agreements with its franchisees and has acted in good faith with all franchisees, (2) has not fraudulently misrepresented any franchisees, Redishred Capital Corp. ("Redishred") has complied with all franchise and state laws, (3) has not negligently misrepresented any franchisees, and (4) has complied with all state laws as well as Federal Trade Commission rules and regulations regarding franchising.

Redishred CEO, Robert Crozier had the following comments on the claim, "We are disappointed that three franchisees have elected to take their operational issues to the courts, despite Redishred's attempts to work with them to improve their individual businesses." Mr. Crozier further noted that, "The Proshred System has continued to have strong system sales growth over the last few years and despite a weakened US. Economy the system has posted 3 consecutive quarters of record system sales. In fact during the first quarter of 2010, Proshred's same location system sales grew by 41% over the first quarter of 2009. This growth is a testament to the strength of the Proshred brand, system and its hard working franchisees. The franchisees that have made these claims have benefited from Proshred's brand and ongoing use of Proshred's operating and marketing systems and the continuous development; as a result

this group of franchisees has seen sales growth in the first quarter of 2010 that is consistent with the entire system.”

Redishred intends to vigorously defend against this unwarranted claim.

## Services

Redishred Capital Corp. is the owner of the **PROSHRED®** trademarks and intellectual property in the United States. **PROSHRED®** shreds and recycles confidential documents and proprietary materials for thousands of customers in the United States in all industry sectors. **PROSHRED®** is a pioneer in the mobile document destruction and recycling industry and has the ISO 9001:2000 certification. In addition to the ISO certification, most of our franchise locations are NAID certified. It is **PROSHRED®**'s vision is to be the 'system of choice' and provide shredding and recycling services on a global basis.

## FOR FURTHER INFORMATION PLEASE CONTACT:

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*This news release contains forward looking statements that reflect the current expectations of management of Redishred and Redishred's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "believe", "expect", "intend" and similar expressions have been used to identify these forward looking statements. These statements reflect current beliefs and are based on information currently available to management of Redishred. Forward looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed in the 2009 management discussion and analysis under "Risk Factors", could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward looking statements. There can be no assurance that the expectations of management of Redishred will prove to be correct.*

*In particular, certain statements in this document discuss Redishred's anticipated outlook of future events. These statements include, but are not limited to:*

- (i) contingent consideration is dependent on the revenue generated from the Albany location, revenue from the Albany location is dependent on the strength of local economy and the level of competition in that market,*
- (ii) the attainment of operation synergies is dependent on the ability of local management to integrate sales and administrative efforts in Albany and Syracuse, and*
- (iii) the outcome of the complaint made and any claims associated with the complaint, which outcomes will depend upon many factors including future intentions of the parties and the discretion of any judge hearing the complaint.*

*Readers are cautioned that such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Redishred can give no assurance that actual results will be consistent with these forward-looking statements.*