

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

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**REDISHRED CAPITAL CORP. ANNOUNCES NEW *PROSHRED*® FRANCHISE LOCATION IN SAN DIEGO, CALIFORNIA AND PROVIDES UPDATE ON COMPLAINT**

**NEW FRANCHISE LOCATION**

Redishred Capital Corp. (TSX.V – KUT) announced today that its subsidiary, Proshred Franchising Corp. (“PFC”), has entered into an agreement with a new franchisee to operate a ***PROSHRED*®** shredding business. The new ***PROSHRED*®** franchise office will be located in San Diego, CA. The company currently has 17 locations and with the addition of San Diego, CA, ***PROSHRED*®** continues to develop its footprint across the United States. Redishred expects its new franchisee to commence operations in San Diego, CA in early fall of 2010.

Redishred’s President John Prittie commented, “We are very pleased to award our first new franchise for 2010 and our second on the west coast in the last 12 months. We are looking to establish a strong presence on the west coast of the United States and have targeted Los Angeles, San Francisco, San Jose, Portland and Seattle for future expansion”. Mr. Prittie further noted, “The new franchise will service San Diego and Imperial Counties and augment our current service in Southern California. Our new franchisees are well known in the Southern California business community and have many connections within the commercial real estate and finance industries.”

Todd Hoover and Desiree Chiles, the new San Diego franchisees, noted that “we decided to get involved with Proshred because we think the business model is relevant in today’s world of identity theft. We feel there is solid demand for a “best in class” service and we believe the Proshred model represents this and will be well received by our San Diego customers. Proshred is attractive because it has a solid infrastructure and support system in addition to a successful base of existing locations. We look forward to duplicating the Proshred model in San Diego and growing a sustainable business.”

**COMPLAINT FILED BY FRANCHISEES**

On June 30, 2010 the Company announced that 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’s subsidiary 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. In addition to the original three franchisees, one additional franchisee located in New York State has joined the complaint.

Redishred (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 made fraudulent misrepresentations to any franchisees, (3) has not negligently misrepresented anything to any franchisees, and (4) has complied with all state laws as well as Federal Trade Commission rules and regulations regarding franchising.

Redishred intends to vigorously defend against this unwarranted claim.

## **SERVICES**

Redishred Capital Corp. is the owner of the **PROSHRED**<sup>®</sup> trademarks and intellectual property in the United States. **PROSHRED**<sup>®</sup> shreds and recycles confidential documents and proprietary materials for thousands of customers in the United States in all industry sectors. **PROSHRED**<sup>®</sup> 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 and corporate locations are NAID certified. It is **PROSHRED**<sup>®</sup>'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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*Note: The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.*

*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 2008 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) The commencement of operations may be delayed by the franchisees inability to complete initial training, or their inability to secure the required facilities to operate a Proshred franchise,*
- (ii) The development of further west coast locations may not be attained due to negative local economic circumstances that may limit the number of qualified franchisee candidates, 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.*