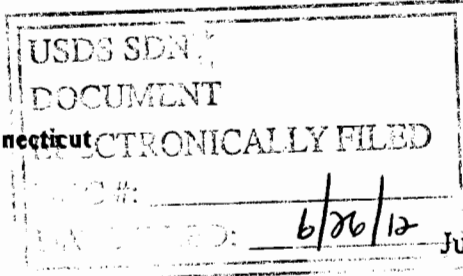


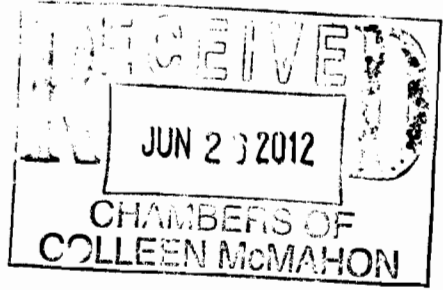
Cox Padmore Skolnik & Shakarchy LLP

Attorneys at Law

Stefan B. Kalina
Counsel
Also admitted in
New Jersey and Connecticut



June 25, 2012



MEMO ENDORSED

Via Facsimile (212-805-6326)

The Honorable Colleen McMahon
United States District Court
Southern District of New York
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, New York 10007-1312

Re: **RCJV Holdings, Inc. v. Collado Rycerson, S.A. de C.V. et al**
Case No.: 1:11-cv-02854-CM

Dear Judge McMahon:

This office represents the Plaintiff RCJV Holdings, Inc. ("RCJV" or "Plaintiff") together with Alan Martin Esq. (admitted pro hac vice), in the above-referenced action. Just three (3) days after the Court's most recent Order of June 11, 2012, Intervenor Natxis f/k/a Natexis Banques Populaires ("Natxis") mailed, without any advance notice or warning to the Court or Plaintiff, approximately 900 additional pages of material documents. In light of the timing of this production, in violation of the Court's long past due discovery cut-off Order, made on the very eve of summary judgment filings, we respectfully request a brief 11-14 day extension of the current summary judgment deadline of June 29, 2012 to complete our review and assessment of this material supplemental production, which halted and impacted work already under way based on the existing discovery record, so we can continue and complete our prompt efforts at summary judgment preparations (and with the Court allowing appropriate remedies for this violation of its Orders) for the reasons more fully set forth below.

A. Background and Prior Requests.

The case background is set forth more fully in our prior requests dated March 30 and June 7, 2012. The Court is respectfully referred to these letters in the interest of judicial economy.

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*If you want to
make a sanction
motion, make a
motion. I do not
accept letter motions. I
am always open to mediation
if you want an extension
so you can deal with
the new documents,
then they will
obviously not
be precluded
what do you
really
want?*

*Colleen McMahon
6/26/12*

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Attorneys at Law

As is relevant to this request, we note that this is a single issue case. The action seeks payment on a note and guaranty executed by Collado Industries, S.A. de C.V. ("Collado"), as payor, and Coryer, S.A. de C.V. ("Coryer"), as guarantor, (collectively, "Defendants"). The Defendants have sought to raise the defense(s) that their payment obligations are precluded by an asserted subordination that supposedly operates indefinitely for as long as Natixis keeps loaning money to Collado under various ever changing and continuously extended loan agreements involving credit facilities with Natixis (the "Subordination Issue"). Both the Defendants and Natixis have raised the Subordination Issue as a defense.

All parties have agreed to limit discovery to the Subordination Issue. The parties agreed to exchange documents on this issue without the formal written requests and then to take several depositions almost entirely confined to the 30 (b) (6) witnesses of the four parties' corporate representatives with knowledge of the Subordination Issue. Towards that same end, the parties also agreed to depose one non-party witness as well.

Discovery was to be completed by this Court's May 16, 2012 deadline. The deadline (along with a pre-trial order due date of June 29, 2012) was set by the Court's order dated April 2, 2012 (the "April 2 Order"). The April 2 Order issued following the parties' third joint request.

We understood that, in accord with this Court's Order, discovery had, in fact, been completed by the May 16, 2012 deadline. This specifically included the exchange of *all* documents prior to witness depositions. Depositions were taken and concluded on this premise.

On June 7, 2012, with discovery thus concluded, we requested a brief two week modification of the case schedule -- from June 15, 2012 to June 29, 2012 -- to prepare and submit summary judgment motions with a corresponding extension of the pre-trial order submissions to allow for summary judgment determination. At the time, the Defendants and Natixis advised they also intended to cross-move for summary judgment. The request to entertain motions for summary judgment in advance of the pre-trial order was based on the following points (i) there are no factual disputes as to the content of the relevant agreements, (ii) whether Ryerson is indefinitely subordinated to any Natixis loans past, present, or in the future -- the Subordination Issue -- is purely a question of law, and (iii) the parties' desire to conserve the Court's and their resources and time by resolving the case on this very narrow issue by proceeding to a summary judgment determination prior to expending time, money and effort on full pre-trial submissions (while still having the case in a trial ready posture within 16 months or less of its commencement).

On June 8, 2012, the Defendants submitted a letter that did not oppose the request. Rather, the Defendants only sought to clarify a technical point regarding the calculation of the

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Attorneys at Law

summary judgment deadline, indicating that despite the time requirements of the Federal Rules of Civil Procedure, they understood the due date for summary judgment filings already to be June 29, 2012. **Natixis joined in the Defendants letter.**

On June 11, 2012, the court granted the parties' requests and extended the dates for submitting summary judgment motions to June 29, 2012 and the pre-trial order to September 29, 2012 (the "June 11 Order").

B. Current Request

On June 15, 2012, we were astounded to receive approximately 900 pages of further and untimely document discovery from Natixis. These documents are, by Natixis' own cover letter, material to the Subordination Issue:

Consistent with our agreement to informally exchange certain documents relevant to the promissory note and the Natixis credit facility, enclosed is a CD containing a **supplemental** production of documents Bates Numbered NATIXIS00002582-NATIXIS00003477. **These relate to the most recent amendment, dated April 27, 2012, to the Natixis credit facility.**

A copy is annexed hereto as Exhibit "A" (emphasis added.)

This "supplemental" production is late and prejudicial to our summary judgment preparations. It was mailed on June 14, 2012; nearly one month after the May 16, 2012 discovery cut-off, less than one week after Natixis' June 8, 2012 joinder and agreement to submit summary judgment motions by June 29, 2012, and just three days after the Court's June 11 Order granting that summary judgment filings be due on June 29, 2012. Moreover, the production purports to have been made by "courier" when, in fact, it was set via overnight mail delivery and did not arrive in our office until Friday, June 15, 2012. (Both Natixis' counsel and our office are located in mid-town Manhattan, and we have previously handled exchanges in the case by hand messenger.) Natixis also failed to deliver a set of documents to Plaintiff's co-counsel, Alan Martin, who has appeared pro hac vice. We subsequently, upon our own belated receipt, had to send a set to Mr. Martin by overnight delivery, thereby losing additional time. As I was out of the office on Friday due to prior commitments, and Mr. Martin's office is located in Chicago, neither his office nor mine was able even to start looking at and assessing the documents until the following Monday, June 18, 2012 (for our office), and Tuesday, June 19, 2012 (for Mr. Martin's office) merely 10-11 days before summary judgment motions came due.

Natixis' late production has directly and adversely affected our summary judgment preparations. Rather than being able to proceed with normal preparations on an existing

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discovery record of documents and witness testimony regarding those documents (concluded a month ago) and within the parties' agreed-upon timetable, we have had to halt that work, try to review and assess Natixis's untimely production and seek to determine how it bears on the planned summary judgment filings previously under way (and also expend time considering appropriate available remedies given the prejudice and adverse effects on resources expended from this direct and inexplicable violation of the Court's Order). The supplemental documents bear directly on the discovery that has been previously exchanged. Natixis concedes that their new supplemental volume of documents is directly relevant to the single Subordination Issue in this case – confirming that the production is “consistent” with the parties' agreement. Moreover, the documents relate to further Nataxis loans to Collado – to which Ryerson supposedly is subordinated in perpetuity --including an agreement, dated April 27, 2012, which both pre-dates the May 15, 2012 deposition of Natixis' corporate representative, Carla Gray and the May 16, 2012 discovery cut-off. Indeed, a simple reading of the documents reveals that a good deal of the supplemental documents bear Ms. Gray's name and that she participated in their contents and creation. It is readily apparent that, these documents could have and should have been produced before depositions were taken and discovery concluded per this Court's Order. Indeed, with Carla Gray's designation as Nataxis' 30 (b) (6) representative, and having prepared her as such, it is inconceivable how documents pertaining to Nataxis loans, of which Carla Gray was an author and participant and to which Ryerson purportedly remains subordinated, were not produced prior to her deposition and the close of discovery, let alone on the very eve of summary judgment filings.

Notwithstanding the foregoing, Plaintiff remains committed to moving this action forward toward resolution on summary judgment and a trial ready posture. Therefore, we do not seek a complete re-opening of discovery nor to extend the pre-trial order deadline. We do seek, however, a commensurate 11-14 day extension of the current summary judgment deadline of June 29, 2012 to complete our review and assessment of the Nataxis material supplemental production and to continue our prompt efforts toward a summary judgment resolution.

As before, this request is not intended to delay this matter. Rather, it is occasioned solely by Natixis' improper and untimely disclosure – made in violation of this Court's Order, on the eve of summary judgment filings coming due, and without any advance notice to the Court or Ryerson. In addition to a brief extension, Natixis's failure to provide discovery in a timely manner in this regard warrants redress under Fed. R. Civ. P. 16 and 37 that provide:

On motion or on its own, the court may issue any just orders, including those authorized by Rule 37(b)(2)(A)(ii)-(vii), if a party or its attorney ... fails to obey a scheduling or other pretrial order.

Fed.R.Civ.P. 16. These may include:

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- (ii) **prohibiting the disobedient party from supporting or opposing designated claims or defenses, or from introducing designated matters in evidence;**
- (iii) striking pleadings in whole or in part;
- (iv) staying further proceedings until the order is obeyed;
- (v) dismissing the action or proceeding in whole or in part;
- (vi) rendering a default judgment against the disobedient party; or
- (vii) treating as contempt of court the failure to obey any order except an order to submit to a physical or mental examination.

Fed.R.Civ.P. 37(b)(2)(A) (emphasis added).

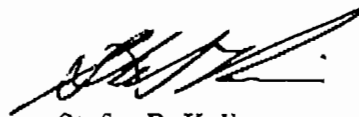
As the Supreme Court held in *Nat'l Hockey League v. Metropolitan Hockey Club, Inc.*, 427 U.S. 639, 643, 96 S.Ct. 2778, 2781 (1976), "the most severe in the spectrum of sanctions provided by statute or rule must be available to the district court in appropriate cases, not merely to penalize those whose conduct may be deemed to warrant such a sanction, but to deter those who might be tempted to such conduct in the absence of such a deterrent." Under this standard, Natixis's improper conduct and the ensuing prejudice and detriment to Plaintiff warrants further remedies and safeguards to Ryerson, including prohibition on Natixis from using the supplemental production in support of its subordination defense or otherwise in this case. Given the timing of Natixis' improper conduct and Plaintiff's current inability to fully assess the actual and potential prejudice thereof, Plaintiff reserves its rights to seek the appropriate remedy from the Court at the appropriate time when the effects of such conduct are more fully ascertainable by Plaintiff.

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A proposed order is likewise enclosed pursuant to Your Honor's individual practice rules. We are available at the court's convenience to have a conference as well. Thank you for your consideration of this matter.

Respectfully submitted,



Stefan B. Kalina

SO ORDERED:

Hon. Colleen McMahon, U.S.D.J.

Enclosure

cc: Alan Martin, Esq. (via email almartin@alanmartinlaw.com)

Seth T. Taube, Esq. (via fax & e-mail seth.taube@bakerbotts.com)
Baker Botts LLP
Attorneys for Defendants
30 Rockefeller Plaza, 44th Floor
New York, NY 10112

Wendy H. Schwartz, Esq. (via fax & e-mail wschwartz@reedsmith.com)
Reed Smith
Attorneys for Intervenor
599 Lexington Avenue
New York, NY 10022