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PLEASE VERIFY BEFORE SENDING

Unverified AI draft. Every fact must be checked against the records before use. It is not legal advice. Fill in every [ADD: …] placeholder, set the demand amount, confirm anything marked [VERIFY], and delete this box before sending.

- 1 citation could not be confirmed against the uploaded files (wrong page, or an amount or date not found on that page). It is marked [VERIFY: citation not confirmed].
- The demand sets one deadline: payment of $21,754.50 by December 1, 2025, or suit for the balance, interest, attorney fees and costs [demand_letter_received.pdf p.1]. Confirm the letter goes out in time.
- The firm notes direct us to reject the termination fee and the credited and paid invoices, and to pay KVD-7832 ($1,912.40) once the supplier confirms the balance [firm notes]. No counteroffer or other settlement figure was given, so none appears. Confirm this is the intended position and set [ADD: response deadline].
- KVD-7790: the letter disputes the $1,377.40 for rejected product, which the client's records show unpaid [payment_records.pdf p.1]. Confirm this matches the firm notes' "paid invoices" instruction.
- The August 21, 2025 rejection has no credit memo, and the records give no value or invoice for it [delivery_log_and_termination.pdf p.1]. The letter only reserves rights on it. Confirm with the client.
- Interest of $892.00: the demand shows no computation. The client's position on any interest on KVD-7832 (due October 31, 2025) is not in the sources, so it is a placeholder.
- The total paid ($9,399.90) is taken from the bookkeeper's summary and must be checked against the bank confirmations. The confirmations are referenced but were not among the files provided [payment_records.pdf p.1].
- Only an excerpt of the Supply Agreement was provided. Confirm no other notice, cure or dispute provisions affect termination under Section 9(a) or the fee under Section 9(b).
- No settlement-communication legend is included. If you add one, follow it with [VERIFY: Pennsylvania rule on settlement communications].
- Placeholders remain for the firm address, date, delivery method, Mr. Faulkner's ZIP code and any account number.

Mercer Quinlan LLP
[ADD: firm street address]
[ADD: city, state ZIP]
[ADD: phone] · [ADD: email]

[ADD: date]

VIA [ADD: delivery method]

Robert Faulkner
Faulkner & Dade LLC
1200 Ridgeway Commons Boulevard, Suite 400
Harlan Ford, Pennsylvania [ADD: ZIP]

Re: Response to Demand Dated November 14, 2025 – Keystone Valley Dairy Supply Inc. / Marigold Bakery & Cafe LLC – Account No. [ADD: account number, if any]

Dear Mr. Faulkner:

Introduction

This firm represents Marigold Bakery & Cafe LLC ("Marigold"). We write in response to your letter dated November 14, 2025, sent on behalf of Keystone Valley Dairy Supply Inc. ("Keystone Valley") to Nadia Ferreira, Marigold's owner [demand_letter_received.pdf p.1]. Please direct all further communication about this matter to this office.

The demand

Your letter states that Marigold has not paid four invoices, KVD-7714 ($4,126.30), KVD-7759 ($3,871.90), KVD-7790 ($4,951.90) and KVD-7832 ($1,912.40), totaling $14,862.50 [demand_letter_received.pdf p.1]. It states that Marigold ended the Supply Agreement dated January 13, 2025 without cause on September 30, 2025, and that Section 9 requires an early termination fee of $6,000.00 [demand_letter_received.pdf p.1]. It also claims contractual interest of $892.00 through the date of the letter [demand_letter_received.pdf p.1].

Your letter demands $21,754.50 by December 1, 2025, and states that Keystone Valley has authorized suit to recover the balance, interest, attorney fees and costs if payment is not received by that date [demand_letter_received.pdf p.1].

Response

Invoices KVD-7714, KVD-7759 and KVD-7790. Marigold does not owe these amounts. Your letter lists each invoice at its full face amount and does not account for the credits and payments below. Marigold's records show the following:

Invoice	Invoice amount	Credit or rejected product	Payment	Balance per Marigold's records	Source
KVD-7714 (due July 31, 2025)	$4,126.30	Credit memo CM-2210: $1,204.60	$2,921.70 paid July 29, 2025 by ACH	$0.00	[payment_records.pdf p.1]
KVD-7759 (due August 29, 2025)	$3,871.90	Credit memo CM-2244: $968.20	$2,903.70 paid August 27, 2025 by ACH	$0.00	[payment_records.pdf p.1]

Invoice	Invoice amount	Credit or rejected product	Payment	Balance per Marigold's records	Source
KVD-7790 (due September 30, 2025)	$4,951.90	Rejected product, no credit memo issued: $1,377.40	$3,574.50 paid September 26, 2025 by ACH	$1,377.40 disputed	[payment_records.pdf p.1]

Marigold's bookkeeper's summary states that Marigold paid Keystone Valley $9,399.90 on these three invoices [payment_records.pdf p.1].

The credits relate to products Marigold rejected at delivery under Section 4 of the Agreement. On July 8, 2025, heavy cream and butter were delivered at 51 degrees F, and the driver signed a rejection slip. Keystone Valley issued credit memo CM-2210 for $1,204.60, referencing invoice KVD-7714 [delivery_log_and_termination.pdf p.1]. On August 5, 2025, milk was delivered past its printed sell-by date, and the driver signed a rejection slip. Keystone Valley issued credit memo CM-2244 for $968.20, referencing invoice KVD-7759 [delivery_log_and_termination.pdf p.1].

On September 9, 2025, eggs and cream were delivered at 53 degrees F, and the driver signed a rejection slip. The rejected product was valued at $1,377.40 per the delivery ticket, on invoice KVD-7790. Keystone Valley issued no credit memo [delivery_log_and_termination.pdf p.1; payment_records.pdf p.1]. Section 4 requires delivery at or below 40 degrees F with the printed shelf life, and requires Keystone Valley to issue a credit memo for rejected product. Section 6 provides that credits are applied to the invoice they reference [supply_agreement_excerpt.pdf p.1]. Marigold therefore paid KVD-7790 less the rejected product and does not owe the $1,377.40.

Marigold's log also records a rejected delivery on August 21, 2025, of cream cheese and butter at 48 degrees F, for which the driver signed a rejection slip and no credit memo was received [delivery_log_and_termination.pdf p.1]. Marigold reserves its right to a credit for that delivery [ADD: invoice reference and value of the August 21, 2025 rejected product].

Invoice KVD-7832. Marigold does not dispute this invoice. It is dated September 30, 2025, is due October 31, 2025, and is for $1,912.40. Marigold has held payment pending the final account statement it requested in its September 30, 2025 termination notice, and Keystone Valley has not responded [payment_records.pdf p.1; delivery_log_and_termination.pdf p.1].

Early termination fee. Marigold did not terminate without cause. Section 9(a) permits either party to terminate for cause by written notice if the other party fails to meet its obligations on three or more occasions in any calendar quarter. Section 9(c) provides that no early termination fee is owed when Buyer terminates for cause under Section 9(a) [supply_agreement_excerpt.pdf p.1].

Marigold's records show four deliveries that did not meet the Section 4 standards in the third calendar quarter of 2025 (July 1 to September 30): July 8, August 5, August 21 and September 9, 2025 [delivery_log_and_termination.pdf p.1]. On September 30, 2025, Marigold sent Mr. Glenn Harper of Keystone Valley written notice by email and certified mail terminating the Agreement for cause under Section 9(a). The notice identified each of the four dates and asked Keystone Valley to confirm the final account balance after all credits [delivery_log_and_termination.pdf p.1]. Keystone Valley signed the certified mail receipt on October 3, 2025, and Marigold received no reply [delivery_log_and_termination.pdf p.1]. The $6,000.00 fee under Section 9(b) does not apply, and Marigold rejects it.

Interest. Section 6 provides for interest at 1.5% per month on past due balances [supply_agreement_excerpt.pdf p.1]. Invoices KVD-7714 and KVD-7759 were paid, net of credits, before their due dates, and KVD-7790 was paid, net of the rejected product, before its due date [payment_records.pdf p.1]. There is no past due balance on those invoices on which interest could accrue. Your letter does not show how the $892.00 was computed or which balances it was applied to, and Marigold rejects it as stated. As to KVD-7832, [ADD: client's position on interest on KVD-7832].

Attorney fees and suit. Marigold disputes that $21,754.50 is owed, and it disputes the basis for the fees and costs your letter threatens. Section 12 of the Agreement allows the prevailing party in an action to enforce the Agreement to recover reasonable attorney fees [supply_agreement_excerpt.pdf p.1].

Our client's position

Marigold rejects the demand as stated. It rejects the claims on KVD-7714, KVD-7759 and KVD-7790, the $6,000.00 early termination fee, and the claimed interest.

Marigold will pay invoice KVD-7832 in the amount of $1,912.40 once Keystone Valley confirms in writing the account balance after all credits, as Marigold requested on September 30, 2025 [firm notes; delivery_log_and_termination.pdf p.1] [VERIFY: citation not confirmed]. To that end, please send us by [ADD: response deadline]:

- a written statement of account showing all invoices, payments and credit memos;
- the credit memo or memos for the September 9, 2025 rejection, and for the August 21, 2025 rejection if Keystone Valley agrees one is owed; and
- the computation supporting the claimed interest of $892.00.

Marigold can provide bank confirmations of the three ACH payments on request [ADD: confirm whether bank confirmations are enclosed]. We are available to discuss the account and will consider any documents Keystone Valley believes support its position.

Reservation of rights

This letter is not a complete statement of the facts or of Marigold's position. Marigold reserves all rights, claims and defenses under the Supply Agreement and applicable law, including its

rights to credits for rejected product and to recover attorney fees under Section 12, and waives none of them.

Sincerely,

Helen B. Mercer
Mercer Quinlan LLP