KANEX PRO, INC.
3753 Howard Hughes Parkway, Suite 200-80 · Las Vegas, NV 89169

August 10, 2026

BY EMAIL TO:
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Creditors Adjustment Bureau
4340 Fulton Avenue, 3rd Floor
Sherman Oaks, CA 91423

RE: WRITTEN DISPUTE AND DEMAND FOR VALIDATION
CAB Account No. 6156632
Claimed creditor: Shenzhen PTN Electronics Limited
Amount demanded: $152,800.00

To Whom It May Concern:

This letter is a written dispute of the entire amount claimed. It is delivered within the period stated in your letter of August 6, 2026, which set a response date of September 16, 2026.

Your letter expressly undertakes that, if we write to you by that date, you "must stop collection on any amount you dispute until we send you information that shows you owe the debt," and that you must likewise stop collection until you provide the name and address of the original creditor. Kanex Pro, Inc. disputes the debt in its entirety and requests that information. We expect collection activity to cease immediately and to remain suspended until you have fully responded to this letter.

Nothing in this letter is an admission that any sum is owed, and Kanex Pro, Inc. expressly reserves all rights, claims, defenses, offsets and counterclaims.

For the avoidance of doubt: Kanex Pro disputes the whole of the $152,800.00 demanded. It does not accept that $103,200.00, or any other figure, is owed. The Trust Deed amount is referred to below solely to demonstrate that the sum you are demanding is unsupported even by the instrument you rely on for authority to demand it.

1. The amount you are demanding is not the amount you were authorized to collect

We have reviewed the Collection Trust Deed executed on the letterhead of China Export & Credit Insurance Corporation ("SINOSURE"), by which Shenzhen PTN Electronics Limited purports to assign collection rights in respect of this account. That instrument states the amount in both figures and words:

> *"for the full amount of USD 103200 (Say United States dollars One Hundred Three Thousand Two Hundred Only) plus the interest accrued."*

Your demand is for $152,800.00. That is $49,600.00 — approximately 48.1% — more than the amount the assigning instrument authorizes anyone to collect. No explanation for the difference appears anywhere in the material you have sent.

	Amount	Difference
Collection Trust Deed, authorized amount	$103,200.00	—
CAB demand letter, August 6, 2026	$152,800.00	+$49,600.00

	Amount	Difference
Overstatement as % of authorized amount		+48.1%

That figure is not arbitrary. Kanex Pro's own goods receipt records contain individual receipts of PTN product in exactly that amount, to the dollar. Every one of them post-dates November 7, 2025 — the very date as of which your letter states the $152,800.00 was already owed, and after which your letter states that $0.00 has been added. In total, $124,000.00 of PTN goods was received by Kanex Pro after that date.

There is a further problem with the figure. Your letter states that Kanex Pro "paid or were credited this amount toward the debt: $0.00." That is not correct. **On June 23, 2026 — six weeks before the date of your letter — Kanex Pro wired US$24,800.00 to Shenzhen PTN Electronics Limited at Bank of China, reference PO5071, bank reference 903706230551623.** PTN accepted those funds. Either that payment has not been credited against the sum you are demanding, in which case your statement of credits is wrong, or it relates to invoices outside the claim, in which case you must identify precisely which invoices are inside it and which are not.

That payment is also difficult to reconcile with the Collection Trust Deed, which recites a "protracted default" by Kanex Pro. A buyer in protracted default does not wire its supplier US$24,800.00, and a supplier treating an account as in protracted default does not accept it. Kanex Pro was still paying PTN, against identified purchase orders, weeks before this demand was issued.

You are therefore required to state, invoice by invoice, what the $152,800.00 consists of and as at what date. If the sum includes goods received after November 7, 2025, your letter is internally contradictory on its face. If it does not, the $49,600.00 excess over the Trust Deed has no identified source at all. Kanex Pro is not obliged to reconcile your claim for you, and does not propose to. The breakdown demanded in section 3 is required before this claim can be treated as stated.

Three further defects on the face of that instrument require explanation:

- The stated figure of USD 103,200 is supported only by handwritten pencil arithmetic on the face of the deed reading "61200 + 42000." A demand of this size cannot rest on unattributed pencil workings on the operative document. We require the invoices and calculations those figures represent.
- The deed claims "plus the interest accrued," while your letter states interest of $0.00 and fees of $0.00. These cannot both be correct. State which is being asserted and on what contractual basis.
- The deed identifies only two sales contracts, PT25US-APO061306 and PT25US-APO071007. Confirm whether the sum demanded is confined to those two contracts, and if not, identify every other contract, purchase order and invoice included in it.

2. Your authority to collect this account is unclear

The Collection Trust Deed assigns "the full rights for collection" to China Export & Credit Insurance Corporation, and grants SINOSURE "the full power in exercising such rights and remedies in our or its own name." It does not name Creditors Adjustment Bureau.

This matters beyond bookkeeping. Under California Commercial Code section 9404, the rights of an assignee of an account are subject to all terms of the agreement between the account debtor and the assignor, to any defense or claim in recoupment arising from the transaction that gave rise to the contract, and to any other defense or claim of the account debtor accruing before notification of the assignment. **Whoever holds this claim holds it subject to everything set out in section 4 below.**

Your letter, by contrast, identifies Shenzhen PTN Electronics Limited as the party to whom the debt is owed, and makes no reference to SINOSURE at all. If PTN has already assigned these collection rights to SINOSURE, it is not apparent what rights PTN retained to place the same account with your firm. Before any payment could be considered, we require documentation of the complete chain of authority, including any onward delegation from SINOSURE to Creditors Adjustment Bureau, and confirmation of whether SINOSURE has already indemnified PTN in whole or in part in respect of this account.

3. Documentation demanded

Pursuant to the undertaking in your letter, please provide the following before any further collection activity:

- A complete, invoice-level statement of account identifying every invoice comprising the amount claimed: invoice number, invoice date, purchase order number, sales contract number, part numbers, quantities, unit prices, payment terms, and due date.
- A full payment and credit history for the account, including every payment made by Kanex Pro, Inc. and every credit memo, RMA credit or allowance issued or owed by PTN, with dates and amounts.
- Copies of the underlying sales contracts, purchase orders, commercial invoices, packing lists and proofs of delivery for every invoice claimed.
- The executed Collection Trust Deed in full, showing date of execution and the company seal of Shenzhen PTN Electronics Limited, together with the calculation behind the "61200 + 42000" notation.
- Documentation of the chain of collection authority from PTN to SINOSURE and from SINOSURE to Creditors Adjustment Bureau.
- The name and address of the original creditor, as requested under your letter.
- A reconciliation showing how the $152,800.00 demanded is derived from the $103,200.00 authorized.

4. Kanex Pro holds substantial offsets arising from the same trading relationship

Even if a properly documented balance were established, it is subject to setoff and recoupment arising from the same continuous course of dealing between the parties. Those offsets are set out below.

Kanex Pro gave PTN notice of the non-conformity of the goods as required by California Commercial Code section 2607, subdivision (c)(1) — the RMA correspondence referred to below is that notice, and PTN acknowledged it in writing. California Commercial Code section 2717 permits a buyer, on notifying the seller of its intention to do so, to deduct all or any part of the damages resulting from a breach from any part of the price still due. **This letter is that notification.**

(a) 171 defective units delivered to PTN and never credited.

Under RMA reference PR24US-APO060401, Kanex Pro shipped defective product to PTN by FedEx on December 10, 2024. PTN confirmed receipt in writing. In an email dated January 16, 2025, Ms. Helen Liu of PTN stated that PTN had completed a two-week inspection, verified the serial numbers, and confirmed receipt of 171 pieces, attaching PTN's own itemized list. PTN repeated that confirmation on February 6, 2025. The quantity and the condition of those goods are therefore not in dispute; PTN established both itself, from its own inspection.

To date — some nineteen months later — PTN has issued no credit whatsoever. PTN holds 171 units of Kanex Pro property (83 × EXT-HDBTKVM3T and 88 × EXT-HDBTKVM3R) while simultaneously demanding payment in full.

The commercial relationship between the parties is at an end. **Kanex Pro requires full credit for those units.** The customers who reported the faults were made whole at Kanex Pro's expense long ago, and no other remedy is now capable of putting Kanex Pro in the position it should occupy.

At PTN's own invoice price of $105.00 per unit — the price shown on goods receipt 7606 of August 27, 2025 — those 171 units are valued at **$17,955.00**. That figure is conservative: by late 2025 PTN had raised the paired kit price to $248.00, equivalent to $124.00 per unit. The amount is asserted as an offset.

(b) Defective PTN product held in Kanex Pro warehouses awaiting return.

Kanex Pro currently holds 255 units of defective PTN-manufactured product across 39 line items, recorded at $22,505.49 at PTN invoice cost, pending PTN's return authorization. PTN has failed to process these returns.

Categories (a) and (b) together are the substance of Kanex Pro's dispute as to payment: 426 units of defective product, valued at $40,460.49 at PTN's own invoice prices, for which credit is due and has never been given. Category (c) below is separate — it arises from the termination of the relationship rather than from any defect in the account.

(c) Unsold PTN inventory on termination of the trading relationship.

Kanex Pro further holds 811 units of PTN product on hand across 60 line items, recorded at $87,218.31 at PTN invoice cost. That stock is unsaleable, and it is unsaleable as a direct consequence of the repeated failure rates described in section 5 below. Kanex Pro cannot in conscience place further units of this product with its customers.

PTN has placed this account for collection and has thereby brought the commercial relationship to an end. On termination, Kanex Pro is entitled to return this inventory and to receive credit for it. Kanex Pro will not be left holding dead stock manufactured by a supplier that is simultaneously suing it for payment. This inventory is available for immediate return to PTN, at PTN's expense, against full credit.

(d) Warranty exposure on units already sold into the field.

The three categories above concern goods in the possession of one party or the other. They do not address the units of PTN-manufactured product already sold by Kanex Pro to its customers and now in service. On the failure rates evidenced in section 5, a material proportion of that installed base will fail within its warranty period.

While the trading relationship subsisted, that exposure was manageable because defective units could be returned to PTN. On termination it does not disappear — it transfers wholly to Kanex Pro, which remains the warrantor of record to its customers while losing all recourse to the manufacturer that caused the defects.

Kanex Pro accordingly asserts a warranty reserve against the installed base, calculated as follows. Of the 2,855 units of PTN product evidenced by Kanex Pro's goods receipts, 811 remain in stock and 255 are held as defective returns. The balance — 1,789 units, $314,222.45 at PTN's own invoice prices — has been sold into the field and is in service.

Of the units received, 426 are already documented as defective: the 171 held by PTN and the 255 held by Kanex Pro. That is an observed failure rate of 14.9% on goods that have not yet run their warranty period. **Kanex Pro asserts a warranty reserve of 20% against the installed base — $62,844.49 — reflecting failures already observed together with those that will arise before the warranty period expires.**

This is not a request for a commercial discount. Under California Commercial Code section 2714, subdivision (b), the measure of damages for breach of warranty as to accepted goods is the difference between the value the goods would have had as warranted and their value as accepted. Goods failing at 14.9% and rising are not worth what conforming goods would have been worth, and the reserve is that difference. Kanex Pro reserves the right to revise the figure upward as further failures are recorded.

Offset	Units	Value
(a) Units held by PTN since December 2024	171	$17,955.00
(b) Defective returns awaiting PTN authorization	255	$22,505.49
(c) Unsold inventory returnable on termination	811	$87,218.31
(d) Warranty reserve, 20% of installed base	1,789	$62,844.49

Offset	Units	Value
Total offsets asserted		$190,523.29

Categories (a) to (c) are stated at PTN's own invoiced unit prices, not at Kanex Pro resale or landed values — Kanex Pro is not asking PTN to credit a markup, but to unwind at the price PTN charged. Category (d) is a reserve, not a return, and is calculated on the same invoiced prices.

The offsets total $190,523.29. That exceeds the $152,800.00 you demand by $37,723.29, and exceeds the $103,200.00 the Collection Trust Deed authorizes anyone to collect by $87,323.29. On any figure yet advanced by any party, Kanex Pro owes nothing and is in credit.

Kanex Pro requires full credit on all three categories, and requires PTN to bear the freight and export cost of returning 1,066 units to Shenzhen. No restocking deduction is accepted on defective goods, and none is warranted on unsold stock rendered unsaleable by the supplier's own failure rates and by the supplier's own decision to end the relationship.

5. The product failure record underlying these returns

The returns described above are not commercial preference. They reflect a sustained pattern of field failure in PTN-manufactured product. Kanex Pro's records show 266 discrete return events across 29 PTN part numbers, spanning December 2019 to June 2026. On several parts the return volume equals or exceeds the sales volume:

Part number	Return events	Sold, 12 mo	Ratio
EXT-HDBT70MRX	17	6	2.8x
SW-4X1SL18G	12	7	1.7x
EXT-HD100MHBT	13	8	1.6x
EXT-HDBT70M	14	7	2.0x
HDEXT50M	103	360	29%

A product returning more often than it sells is not a product with an incidental defect rate. Separately from the table above, the 171-unit RMA batch was returned to PTN under a single authorization with documented faults including no power, intermittent failure, absent HDCP handshake, loose components inside sealed enclosures, and broken connector pins.

The exposure is not confined to the parts listed above. Kanex Pro has taken delivery of $423,946.25 of PTN-manufactured product across 17 goods receipts, of which $389,760.00 — 91.9% — is the EXT-HDBTKVM3 family: the same family as the 171-unit defective batch PTN has held since December 2024. All of it carries warranty liability. The $152,800.00 you demand represents 36% of the total value of goods Kanex Pro has bought from this supplier.

Kanex Pro has borne the cost of these failures throughout: inbound freight, testing, replacement product supplied to its own customers, technical support, and the commercial cost of fielding a supplier's defects with its own customer base. Those costs are asserted against any balance claimed.

Kanex Pro expressly reserves the right to bring affirmative claims against Shenzhen PTN Electronics Limited, and against any party standing in its shoes, for breach of contract, breach of warranty and consequential loss arising from the condition and performance of PTN-manufactured product. Those claims include, without limitation: the cost of warranty administration, testing, freight and replacement

product; injury to Kanex Pro's goodwill, business reputation and standing with its customers and channel partners, and the loss of business consequent upon it; and any claim, demand or proceeding brought against Kanex Pro by any end user, integrator, reseller or channel partner arising out of the condition or performance of PTN-manufactured product. Those claims are not waived, limited or exhausted by anything in this letter, and Kanex Pro reserves the right to assert them by way of counterclaim in any proceeding commenced against it.

Kanex Pro further puts PTN and its assignee on notice that it looks to PTN to indemnify it, and to hold it harmless, in respect of any such third-party claim, together with the costs of defending it. That is the ordinary allocation of risk between a manufacturer and the distributor that sells its product, and it does not cease because the manufacturer has placed the distributor into collection.

6. Reservation of rights and notice as to reporting

This letter is written without waiver of any right, claim, defense, offset or counterclaim available to Kanex Pro, Inc., all of which are expressly reserved, including the right to assert additional grounds not stated here. Nothing in it constitutes an acknowledgment of any debt, a promise to pay, or a waiver of any limitation period. No statement here is to be construed as an offer of compromise.

This account is disputed in its entirety. Any communication of this account by Creditors Adjustment Bureau, Shenzhen PTN Electronics Limited or China Export & Credit Insurance Corporation to any credit reporting agency, commercial credit bureau, trade reference or other third party must state that it is disputed. Kanex Pro reserves all rights in respect of any communication that fails to do so.

7. Communications

All further communication regarding this account is to be in writing and by email only, to **legal@email.kanexpro.com**. Please do not direct correspondence concerning this account to any postal address or to any other mailbox. Communications sent otherwise may not be treated as received.

We are prepared to engage constructively with PTN, or with SINOSURE as assignee, on a full reconciliation of this account once the documentation demanded in section 3 has been produced. What Kanex Pro will not do is pay a figure that exceeds the assigning instrument by 48%, calculated from pencil markings, while the claimant holds 171 units of our property and has left us holding both unsaleable inventory and the entire warranty exposure on its defective product.

Until that documentation is provided, collection activity on this account must cease.

Enclosed / available on request: PTN correspondence of January 16 and February 6, 2025 confirming receipt of the 171 units; PTN itemized serial-number list for PR24US-APO060401. Further records will be produced once PTN or its assignee has complied with section 3.

Very truly yours,

Kelvin Yan
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