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Tom

Petters: So, that was Fortress.

Deanna

Coleman: Are they gonna, ah

Petters: (UI) this fuckin' deal off. But we gotta come up with the money. They're the pass-through to get a discount. They split the discount on whatever they buy our receivables from so they come in like they did to Marlon and say hey, here's them, a piece of paper. Marlon we're gonna buy this out. Now we can sell 'em to (UI) when we're done or anybody else if we want. We're not gonna pay you a hundred cents on the dollar. We're only gonna pay you eighty cents. And Marlon came back and said no ninety cents. Now Frank wants to be bought out cause he's afraid he's gonna go to jail. And he's got other accredited investors and so I sent Frank's portfolio to Fortress and I said Frank they'll give you a term sheet but it'll be thirty days to close. The second thing I did is for Palm Beach to call off his auditors and everything and get Fortress to say that they'll go, they're just to agree right now. That's what this call was. To agree that they'll put up a hundred million dollar letter that'll guarantee any payments up to a hundred million (UI) so they don't have to worry. In other words, if there's any payments for two hundred million whatever...

Coleman: Who will guarantee the hundred million?

Petters: Fortress.

Coleman: Fortress will. Okay.

Petters: We'll write a letter to Palm Beach saying, look, we know Petters has got late payments. We'll deal with Petters. We'll deal with the retailers.

Coleman: Does Fortress know that all these POs are fake?

Petters: Fuck (UI) no. They don't know they're fake.

Coleman: Okay.

Petters: They're not gonna be lookin' at our POs. They're only looking at one thing. They won't fund until I give them the money. So what I've been doin' over in Switzerland is making a deal. Hello. Hello. So what I've been doin' is making a fuckin' deal to get the cash to come to these deals. Which has been nothing short of a fucking miracle. So what I did last week.

Coleman: So why if you got a hundred million, why would you want to give it to Fortress to, oh to buy the receivables back at a discount.

Petters: Yeah.

Coleman: So they can't

Petters: So, well you'd wanta do, you'd wanta put in, here's what, there's two three stages. First of all, Marlon we either gotta ask for an extension or the next three weeks I gotta come up with two hundred and forty six million dollars and give it to Fortress instead of paying them two hundred and ninety million and we're done with Marlon, we got our trademark back. Everything back. Done. We've already got the planes taken care of. Everything's at a discount at twenty million. But, that's what I gotta do that's what I've been working on coming up with that money. Then I come up with the money, we get Frank skewed up Frank calms down. Frank says, (UI) Henry will tell you. You'll love Henry. Henry's like smokes about eighty cigarettes an hour.

Coleman: Henry is Fortress?

Petters: Yeah. But he's from California. Paul Traub's friend. Went to work for Fortress. He brought me in to meet the CEO of Fortress. The guy was (UI) he's got one of those magazines Petters gave me, you know, he goes, he still remembers that you gave him those fuckin' magazines. So he goes, so they made nothing but money on this deal cause we're putting up the money. Now he said where are we gonna get the money. We're gonna get the money to two different sources. Three, four, five different sources. This is what I need to get you engaged in instead of making up POs for these fuckers because otherwise we're gonna sink. We'll sink.

Coleman: I agree. And I'm getting tired of doing it.

Petters: I know. I know you are, so here's the deal. I called last week. I went to see Girard and I said Girard I'm gonna be outta business. I'm gonna be probably be going to jail. I said I'm gonna, I got my hedge funds, they're gonna be going in. We bought a bunch of bad paper, just like people who bought bad mortgages and that's my pitch to people. See, here's how we're getting out of the crime.

Coleman: (UI) that we're buying

Petters: Well we have been buying the paper. We didn't originate it. Bob originated it, but we don't, it was originated by somebody else.

Coleman: Bob. Well why would you say Bob.

Petters: We're not (UI). No. No. I don't say...

Coleman: Why would you say Bob made up the POs?

Petters: No, no, no I don't say that to people...

Coleman: Okay. Cause then why would you say Bob made up the POs Tom?

Petters: No. I'm saying we bought the POs from people. Like people buy mortgages, brokerages house. They go bundle up mortgages and they buy them.

Coleman: Well who are we gonna tell 'em we bought the POs from though?

Petters: Well just, just. I tell you who (UI)

Coleman: Okay. Okay.

Petters: Fred's almost dead.

Coleman: It just came kinda weird. But okay.

Petters: anyway. Fred's almost dead anyway. No

Coleman: Fred's almost dead.

Petters: Can you see Fre..Fred getting arrested in his apartment? No. (UI) nobody has to get hurt. Listen to this story.

Coleman: Okay. I'm listening. It sounds interesting.

Petters: I never, you know I never would say Bob bought the POs.

Coleman: Hmm. You mentioned that before to me remember.

Petters: No I said, I said that's John Koneck said we better get together and have our stories straight because Bob's gonna throw us under the bus.

Coleman: Well I know that's the day you called me then and you said okay if anyone says anything about Bob tell them that they, he made up the POs.

Petters: If he knew what we were going through with Ritchie Capital right now, if David, David's so fuckin' tired, sick and tired of dealing with this, I'm surprised David doesn't quit. Has David left for the day or is his light on?

Coleman: I don't know. I haven't seen him.

Petters: He is so disgusted (UI).

Coleman: So what did John Koneck say about?

Petters: About what?

Coleman: About Bob then?

Petters: Oh, that was awhile ago. He said you and Deanna should talk to each other. I don't trust Bob White. Neither does Dave Marshall. And I said why. And he goes because he'd throw you guys under the bus if something was ever wrong. He'd throw you and Deanna under the bus and say it was all your fault. He's done it before to others and you know he's done it to you and I said that's all he said.

Coleman: Oh.

Petters: And I just ignored it. You know what. I just ignored it. That's not what I was talking about.

Coleman: No (UI)

Petters: What I'm saying to you is, all these banks in the country that are writing, going broke. Bought mortgages

from brokers all around there that wrote up mortgages and they were no good. And the people didn't pay. Some were fraudulent. Some were good. Some of the people just didn't pay. They couldn't afford to. Um, so they're all saying oh we didn't know we were buying bad mortgages. Kay? Well John said your defense claim, if you ever had a problem, is you guys are just the buyer of paper. The only ones you have risk on are like the Play Station or you said you did it yourself. And the other one where you said you did it yourself, you know when you said you did it, the TVs...

Coleman: We would have a lot more risk than that though, cause they're all fake. I mean, why wouldn't we have more risk. I don't get that.

Petters: (UI) He's saying unless somebody can prove, the law says that you committed the fraud, I'm not trying to say we're off. Believe me.

Coleman: No.

Petters: But I thought that, you think I'd be working this hard? I'm saying if worse came to worse, you would not go to jail. I'm sure I would. You would not go to jail. You don't know where the fake POs came from. Can you say that you know who wrote the POs up?

Coleman: I don't think I could sit there Tom. I mean, you know Bob would say that. You know it would come out that.

Petters: Bob wouldn't say where the POs. He'd say somebody faxed 'em to him. Bob would come up with some story and say they came in in his fax machine through somebody...

Coleman: Oh.

Petters: ...and, I don't know. I haven't have had

Coleman: But yeah.

Petters: (UI) Well anyway let me get...

Coleman: Don't need to worry about that.

Petters: ...don't want to think about that. I do think about it. Believe me. So I went over and to, to I didn't say I'm going to jail. I said, if I don't get some money the

hedge funds are gonna blow up. Hello? Hedge funds are gonna blow up, the hedge funds'll blow up. I don't want to miss this. I said this is something Mary put together (UI). And what I did was put together a plan to sell half of Polaroid to Girard for two reasons. One to secure it so nobody takes it for one point five million. For one point five billion. Half of that (UI).

Coleman: And Girard, Girard's gonna do that?

Petters: Yeah. We'll write up the purchase agreement that's what we've been workin on, well in between battling all these other hedge funds (UI). Tomorrow Gottex comes here. Frank's trying to set them up, meaning set them up for failure. Meaning that Gottex, if they decided to pull their money out. They're not supposed to come directly to us. Thane Ritchie knows this. Greg knows it. And so do they. They don't think we know it. So Gottex is coming in with these questions they have.

Coleman: Right.

Petters: Frank says you don't just answer all these questions the way they want. We're gonna tell you how to answer them. We're gonna get Dave Marshall to be here. They're gonna be here. We're gonna be nice and say here. And they're gonna ask the questions. They're gonna try to trip them up. Cause they know which questions they're not sup, they can't legally ask. About the hedge funds. Thane Ritchie hates Gottex. Jim Frye hates Gottex. They all hate Gottex cause Gottex sued them all.

Coleman: Right.

Petters: Frank said do they got five hundred million paper with you guys. I said how do you figure five hundred million Frank. When you only have two forty and Greg Bell only has sixty.

Coleman: I thought they had a lot more than that. I thought...

Petters: They must have it with the other funds.

Coleman: ...I thought Palm Beach had roughly five hundred million

Petters: They used to. They said they got down to two forty or

two sixty.

Coleman: Okay.

Petters: So one of things that we wanna do is try to get Palm Beach. I mean Palm Beach guys are in town tonight and they're comin' here in a half an hour. They're really nice. Dave and Bruce. Really nice. I mean they're like praying for me everyday...

Coleman: I didn't, um, I thought they were coming in the end of the week.

Petters: No, that's the auditors.

Coleman: Oh.

Petters: If we get through tomorrow we won't have the auditors come in.

Coleman: What's tomorrow? What's (UI) that's with Gottex.

Petters: Gottex comes and meets. Palm Beach is gonna meet with us. They just wanna talk with us. See how things are going. Our stories. My stories to them have been basically look...Marlon's deal caused a big problem. Why? Why did Marlon's deal cause a problem? We should get Bob down here.

Coleman: Is he still here?

Petters: I don't know.

Coleman: 1-8-2-3-1.

Petters: Huh? He doesn't answer that, does he?

Coleman: Um, be sure I can, oh.

Petters: I'll call his cell phone.

Coleman: That he usually answers.

Petters: Oh, God I tell you what. Aren't you sick of this?

Coleman: It's getting old.

Petters: Fuck I tell you what. Wouldn't it be nice to get the

fuck out of here for a week and find some people that want to spend some money over this.

Coleman: When do you think Girard can give us the hundred million?

Petters: What?

Coleman: Is Girard giving us the hundred million?

Petters: Yeah. But I can't be too pushy. You know, I'm trying to get (UI)

Bob

White: Hello.

Petters: Hi.

White: Hi.

Petters: What are you listening to? Minnesota Public Radio?

White: Yeah.

Petters: No shit.

White: No shit. What's goin' on?

Petters: Um, ah, I'm sitting with Deanna talking about tomorrow. Gottex is coming here. Frank and Palm Beach Partners are comin'...

White: Yeah.

Petters: ...here and so on and so on and so on. And so on and so on. How are you?

White: I'm good. I'm, ah, tell Deanna I got stuff done for her.

Petters: She right here.

White: Ah.

Petters: She's right here.

Coleman: Thanks, Bob.



White: Yup. I'll put it on your chair in your office. (UI)

Petters: Thanks, Bob.

White: Um, is there anything I can do tomorrow, Tom? Or what should I do?

Petters: Hide, no, um, I, I want you to go up. You remember the movie with Quasimodo?

White: Um, no I'm not remembering it right this second.

Petters: Hunchback of Notre Dame.

White: Oh yeah, okay.

Petters: And he was in the bell tower.

White: Yeah, yeah, yeah, yeah.

Petters: Your office is going to be known as the bell tower.

White: Wonderful.

Petters: You're going to stay in the bell tower. No. And ring the bell every hour. We're gonna get, I'm putting a bell up there tonight.

White: Okay.

Petters: When I hear

White: (UI) work well.

Petters: When I hear the bell ring then I know it's time to get out. Somebody just sent me a bible. I'm gonna start reading some stuff to you Bob.

Coleman: Would that be Frank?

Petters: No, I'm just like my old nanny's mom. She oh Lord I lift up my soul. Hello?

White: Hello. I'm, I'm, ah, you know, did you hear the polls this morning, Tom?

Petters: The what?

White: Did you hear the political polls this morning?

Coleman: (UI) I knew that was going to come up.

Petters: No. What did they say?

White: They had McCain ahead.

Petters: They had McCain ahead?

White: Yeah.

Petters: Not the ones I just saw. They had Obama ahead.

White: Yeah, I know. The new one this morning was, was of

Petters: So what are we gonna

White: Of how reliable it is, but anyway the, they're, they're neck and neck and the we know.

Coleman: I think we have more important things to worry about Bob.

Petters: Ah Bob, we'll have to move out of the country anyway.

White: Yeah. Yeah.

Petters: I just got off the phone with Fortress and they're gonna put up a deal for us to buy out these receivables.

White: Yeah.

Petters: But we need to come up with a lot of money to buy Marlon's out. Once we get Marlon's bought out, they'll put up about five hundred million for us just like that. So we need to come up

White: Tom, I thought they were gonna do Marlon for us.

Petters: They are doin' it. Why do you think we're not getting sued right now. They're just a...

White: Yeah.

Petters: ...they're, they're just a shoe-in between. They're not. Bob, what would they finance against? Our

receivables?

White: No, no, no, no, no. I just, I thought that we had to come up with money before they stepped in. Okay. I...

Petters: No. No they stepped in. We need for them to step out. For them to pay Marlon now they got us a stay of execution basically.

White: (UI) Yeah. (UI)

Petters: So we need to come up with the money to finance Marlon. And we need to come up with the money, we're gonna, they're gonna put up a letter for Frank, so Frank's gonna calm down.

White: Okay.

Petters: Then they're gonna put up a letter for two hundred million against Palm Beach to tell Palm Beach that basically that they're going to have a letter that will guarantee payment while they're in a slow period with us. Then when it gets slower, they're gonna come in and buy Palm Beach for seventy five cents on the dollar.

White: Perfect.

Petters: Now.

White: What's (UI)

Petters: We're only getting the software for

White: (UI) stuff going on in Russia (UI)

Petters: What?

White: How realistic is the sale in Russia?

Petters: It's real realistic. It's not til October though.

White: Okay.

Petters: So it's real realistic you know, I mean, it's like.

White: How does it work? I don't under-, you said there's Girard to buy half or (UI) and is that the, then are

they buying the whole thing or is that the way it works?

Petters: No, there's a, there's a global plan to sell half of Polaroid okay? And the global plan to sell half of Polaroid as part of the holding company.

White: Okay.

Petters: The rest of it is

White: Okay.

Petters: That's not to sell Zink. That's not to sell the licenses. That's just the holding company.

White: Gotcha.

Petters: He's got a bank that'll put up a letter that says they'll do it. They're not gonna do all of it. They'll do some of it. We'll maybe get a couple hundred million dollars. Not enough to make it through what we need to make it through.

White: Okay.

Petters: We gotta come up with a lot more money so we gotta sit here and have a brain trust. We're gonna have to be working, if nobody goes to Florida next week it's going to have to be us or something, I don't know what, but I mean the point is, we got, we gotta figure out, and they just can't stare at the walls. We're gonna have to figure out what we gotta do and go sell some licenses, to get creative, to go do whatever we gotta do to raise the money to pay this. What I basically, all I've done is bought us some time to get us out of the problem with everybody so that there's somebody else in between us.

White: Okay.

Petters: But the person in between us is gonna put all these conditions saying subject to due diligence with Petters.

White: Alright.

Petters: So they go to Petters, the only due diligence they want

is a check or a wire transfer.

White: Gotcha.

Petters: Do you follow?

White: Yeah.

Petters: So I made it very simple where we look like good guys, that we gotta bank that came in that was gonna buy them out. We buy 'em out at a discount which is something we have to do.

White: Yeah.

Petters: We have to get Sabeses paid up this week. We gotta get Michael Liss. We gotta do blah, blah, blah, blah, blah. And I, and I, I am just

Coleman: (UI)

Petters. Excuse me. Hi. Are you still with John?

Mary

Jeffries: I am, do, um

Petters: Do you want me to stay? I'll come back in.

Jeffries: Well, and the thing is, that he, he understands you're tied up.

Petters: No, no. I'll, I'll come back.

Jeffries: I have a six thirty that I gotta go grab and then I can come back.

Petters: I understand. I'm, I'm, I'm just about done.

Jeffries: Okay.

Petters: I'm seriously just about done. I'm sorry to do that to you.

Jeffries: No. That's fine. We can

Coleman: You can't (UI) work until midnight?

Jeffries: Yeah, I can, but I'm not. I have to go to a six-thirty

appointment first.

Petters: Yeah, me

Jeffries: And I gotta get outta here. I'm finally (UI). It's the, when they turn the, the system off (UI)

Petters: Oh, you, you wanna shut that thing off? Do you have a control in your office?

Jeffries: No. They, um, it's fine. They've got it figured out. But, um

Petters: I'll come in there look in, two minutes (UI)

Jeffries: Yeah, I've just been telling our Polaroid story, the larger story, you know, kinda fillin' him in to see if there's anything he can

Petters: You got it.

Jeffries: (UI)

Petters: Okay

Jeffries: Alright

Petters: I got two lines goin' here. Hey Dan, how you doin?

White: (UI) me?

Petters: Bob, I'm on another line. I'll tell you what. I'll tell you what. I'll call you back. Okay?

White: Okay. Cool.

Petters: Okay. Thanks. Bye-bye. Hello. How are you? God, what's taking these guys so long? Harold looks like he's gonna jump off of a roof (UI).

Coleman: Okay.

Petters: (UI) I'm not sure and that's why I wanted to see how this thing was done and, ah. Yup. Good, well. What I didn't want to do is make the guy too mad and not call him back. And that's what I told. AJ kept telling me don't call him. What? Sure. Right. Yeah, yeah, I'll do that. I'll send him an e-mail right now.

Henry

Winterstern: Forty million dollars of this paper is my per, is my personal (UI)

Petters: Yup.

Winterstern: And what I was thinkin' about doin'. Why don't we just keep (UI) Why don't on that piece, why don't you and I convert that to equity and then he can give me the local loan interest rate (UI) eighty percent, forty percent and we'll convert it to equity and I can join in some of the stuff like Zink and some other stuff and

Petters: Yeah.

Winterstern: And the deal would be, we would put that into an entity. I would convert my paper to the entity and you would convert some stock to the entity and we just come up with a, you know, conversion price or something, um, and in a week it'll be, it'll be, you'll feel better because it'll align their interest and our interest will be exactly aligned.

Petters: I agree.

Winterstern: (UI) it will get rid of a lot of (UI). It'll get rid of twenty percent of the interest payment for you, um, it'll (UI) calm down.

Petters: And, and, you know what, then you can help me work, I, I just wanna get the other outta the way. You know what I mean? I wanna get back, get your money back, get those guys paid off and start over.

Winterstern: Hey Tom, this, this lawyer from New York's callin' (UI)

Petters: No, go ahead. Go ahead. Go ahead.

Winterstern: Okay then.

Petters: Okay, bye.

Coleman: But he'll take forty million of his own money and turn it into equity?

Petters: (UI) I'm tellin' what. A miracle is happenin' right

now. So here's the one thing that we gotta do baby. As stressed as you are, I know, I tell you what, I wish you woulda gone on the trip with me because you believe, there's nothing to believe in when you sit there everyday and you get pounded on and pounded on and pounded on and somebody just sittin' with a hammer on your head everyday goin' like this. After awhile you just kinda go like this, and after awhile you just like fuck it. So I know. I was like, I, I, so hard for me to leave on the plane because I was like, God (UI). What am I gonna come back to?

Coleman: Well just everyone wanted everything at once and I just get tired of makin' it up and I just

Petters: By the way, nobody knows, you know, here's the most important thing that I want you to. Look, at the end of the day hopefully we end up getting out of this. We're nip and tuck with Frank and he's, he's, he doesn't care, he just doesn't wanna go to jail. Frank's worried about (UI)

Coleman: Frank knows that a lot of these are fake POs, doesn't he?

Petters: No.

Coleman: Oh, he doesn't?

Petters: No, he just knows a bunch of 'em are. Not sure which ones and I just said. He couldn't say they're all junk. If I said they were all junk, he'd have to tell 'em (UI) he say like, freeze the funds and he'd be goin' to jail.

Coleman: Does he think that Bob made 'em up or does he think that there's bad paper?

Petters: (UI) thinks Bob got fucked over. I tried (UI) cause, I mean (UI) I've little by little (UI) you know I don't think Bob sat and made it up or (UI). He goes well, I, I think Bob had a lot to do with it. I said well, you know Bob's got, people tell him things. He goes (UI) well what if somebody told me out in California (UI) around the time when I said, ah, ah, a year before John got killed I said, you know, if somebody told me that they had offered a bunch of business to Marlon, you remember those guys out in California? Eighth Street?



Marlon wanted to finance other people's deals for real a long, long time ago.

Coleman: I don't remember that, but

Petters: Well Bob got a phone call from this one guy and this is the kind of thing Bob would do, you know, if Bob could do it, if he thought his son could do it, his son wanted to finance a bunch of people POs, I go Bob, that is that David (UI) guy who fucked this from Eighth Street Electronics and went past the rest of that two and a half million dollars, and your son wants us to finance paper for him. Do you remember that?

Coleman: I don't remember that.

Petters: And I got (UI)

Coleman: No I don't.

Petters: Oh, I got really mad. I was like no

Coleman: So Frank now is fine with Bob having an office here and all this?

Petters: No.

Coleman: Oh he still isn't.

Petters: No. Here's why he's not fine with it. Because Bob's an atheist, Bob told him, I know that's the real reason, and I know that Frank thinks that Bob doesn't, he thinks you have a good heart and you're a good person. He thinks that Bob needs to have somebody chisel away at him and the only way Bob will ever learn is to be penalized and, now

Coleman: So why does

Petters: One day, it's just like sometimes Debbie says things you know? And I don't know that Debbie said 'em so I can't (UI). Sometimes we all say things, you know like fuck, I can't get a hold of 'em. I can't reach 'em. He goes I've been in Bob's office, he told me that, one time, he didn't say here, he didn't say where. He's told me down in Palm Beach. Remember when I called and told you that he told me that?

Coleman: Yeah.

Petters: He said that like in January or something. He goes I've been in Bob's office. Like that's (UI). You know he kinda makes that face. And I go, like I'm like goin' what are you gonna tell me. I go, so do you know somethin' I don't know? Nope. I just know Bob. A little manufacturing plant. He goes like this to me, he goes

Coleman: He didn't say manufacturing plant?

Petters: No he said, a little paper manufacturing. And I go, what do you mean, the Bob White company I said to him, and he goes I don't know what company. Like that. Cause Frank was... (UI) You know what (UI) you just don't wanna know?

Coleman: You just don't want wanna know. Yeah.

Petters: But I didn't want him to have me and say, no, I know you're an absolute liar. Whatever, because you know, the (UI) oh, God. So I never said, would never say anybody. What I've told people is that I said I've made grave mistakes or signed a whole bunch of notes that I shouldn't have signed cause we bought stuff and I shoulda paid attention to the fuckin' business. And I should of, a long time ago, 20 years ago, with Bob. I never shoulda met him, never shoulda done it the first time, (UI) thousand dollar deal. My mistake. Once you do something, a web we weave when we deceive. He was right. Little fucker. But anyway, his only (UI) two and that is keeping, holding peoples' hands. And we can't hold 'em. And we don't know what to say. Not saying anything for a little bit. (UI) That's why I didn't know what to tell you today. Jim and I talked for two more minutes and he goes, we'll tell him the money came from Ritchie.

Coleman: I just can't believe that Frank can believe that eighty million dollars that we did in business on POs.

Petters: By the way, trust me, he wants to believe everything he can believe right now.

Coleman: Why is he afraid?

Petters: Because he's a convicted felon.

Coleman: Oh.

Petters: And he has people's money. A hundred and six, thirty one dol-, million dollars worth of people's money. Little old ladies that are on a, are not accredited investors. Do you know what they would do?

Coleman: Oh, I didn't know that.

Petters: They would come and shoot him and my name would be next to his in the newspaper saying that we defrauded all kinds of people out of a hundred and thirty million and that's just the beginning. And my name will be right with his. Convicted felon comes with...

Coleman: Yeah.

Petters: So that's why he said, he wants to get his taken out. I mean Frank's so fucking desperate right now. For just some help. And he thinks we can get out of it. But he actually came to me one time and said I think you're going to go down.

Coleman: Frank said that?

Petters: To me. A month ago. He said I think you're gonna go down. That was when I said what do you mean I'm gonna go down. He goes I just think one of us should be saved. I am going to get a pardon next year and I said, I said oh, so you should be saved but I shouldn't. And I said, I said, well I've got news for ya. I don't think we were both goin' down and I think I've got a plan with Fortress and I have a plan with these guys overseas and that's when I got them to start to believe again.

Coleman: Good.

Petters: Now I got 'em believing that we can get him a way out. Fortress with Henry. Henry's coming here tomorrow afternoon. This Gottex coming in tomorrow morning and we gotta call and get some guidance from Greg Bell in what to say. Dave Marshall just called back. I got too many people to call and I got John (UI) from New York so. This Gottex list, they're gonna want us to be in the meeting. You and me and Dave Marshall and Frank. God (UI) Henry from (UI). See I just can get five seconds.

Petters: Hello. How you doin'? (UI) It's Fortress.

Winterstern: Hello?

Petters: Can you hear?

Winterstern: (UI) Embroiled in this shit. You know what I mean?

Petters: Yeah, so did you did we get him in there and is he embroiled in this shit?

Winterstern: Yeah, but you know he did say this he said look he goes you know he goes aahh he goes and he said look he says everything once once we get the Acorn deal done man and we know Tom's for real and actually delivers the money then it's gonna really be easy. Cuz he's like then you know we are gonna you know everything changes you know.

Petters: Yep.

Winterstern: So (UI) and that's the first deal and we are going basically be doing that with the next couple of weeks. So either you know it and that's what it is all about. They are gonna change completely their attitude and they will be like when we (UI) fifty million bucks. Right?

Petters: Yep.

Winterstern: You gotta save your (UI) they are going to be fucking flying your private over New York.

Petters: They should be for that kind of money.

Winterstern: Well, you know, listen it's your money.

Petters: Let's put that in the contract, let's put that in the contract.

Winterstern: (UI) They employed three million dollars but still, it is still real money and you know they they're not used to these kinds of deals. They are used to investing and getting a yield. So this is gonna this is something that they are sort of never seen before because they have never seen a guy like me before.

Petters: Yep.

Winterstern: And if I pull this off that makes me a fucking hero.

Petters: Right.

Winterstern: And it also makes you a hero so what can I tell you, that's the bottom line.

Petters: So you got two fucking we have two super heroes.

Winterstern: Oh yeah, right now, a couple of things. One, Marlon called me right after it. And he is like so what is going on? And I'm like, Marlon why do you want me to tell you what's going on? I said, Tom's back. Well, I'll have more news for you in six days.

Petters: What did he say?

Winterstern: (UI) while he is in business? I said, how long have you known Tom for? He goes ten years. I said, so you tell me.

Petters: What did he say? What did he say?

Winterstern: Nothing, he goes yeah Tom always comes through, Tom always comes through. I'm like, okay.

Petters: Yeah, you know he is full of shit, you know Marlon is full of shift, right?

Winterstern: But I did listen, you know.

Petters: He is right about that, that is the only thing he was right about is that I have always come through for him, but you know what? You know he is full of shit.

Winterstern: Of course he is full of shit. He is scared shitless.

Petters: Right.

Winterstern: He is scared shitless. He just wants you to (UI). I said this is between you and him. We are just the cause of it.

Petters: I understand.

Winterstern: (UI) Even if you wanted a better deal than ninety cents you gotta got on the phone and call him and work it out with him, just like you do with me. You go from eighty-two to ninety, you tell us to change our deal back to (UI). It's your call.

Petters: That's a (UI) no no. Here is what I have to talk to wait right to the day before closing, and the money is in your account and you got eight-two cents and you tell him you are going to wire. And then you are going to force his, then, by the way, then you will be over there smoking...

Winterstern: Whatever you put in our account we will adjust our deal to it. If you put fifty cents in our account we will offer him fifty. If you put ninety we will offer him ninety. We didn't really (UI).

Petters: I want you to come in here tomorrow night so Deanna you have never met Henry.

Coleman: I haven't.

Petters: Henry - you are gonna love Henry. You and Henry will get along way too fucking good. Cuz Henry is like Dean.

Winterstern: This, this is the story, I'll (UI) arrange (UI).

Petters: Listen, did you hear what I said? Say, say hello to Deanna. Hey -

Winterstern: Hello?

Petters: Say hello to Deanna.

Coleman: Hi Henry.

Winterstern: Hey, how are ya.

Coleman: Good, how are you.

Winterstern: How are you doing.

Coleman: I am sitting here ...

Winterstern: I am looking forward to meeting you.

Coleman: Good, tomorrow night?

Winterstern: Tom always says great things about you.

Coleman: Well, that's good.

Petters: Tomorrow night, she said tomorrow night are you going to be here or what?

Winterstern: What's that?

Petters: Are you going to be here tomorrow night or what? Deanna just asked you a question and you did not answer.

Winterstern: I'm gonna, I'm gonna be, I'm gonna, I'm gonna arrange to get a flight up to Minneapolis tomorrow for tomorrow like you know, late in the afternoon. You just have to get me back because there, there are no flights, commercial flights, (UI) get back until 3 in the afternoon.

Petters: He doesn't plan (UI). If you want, Deanna and I to fly to New York with you or just Deanna?

Winterstern: What? What's that?

Petters: Did you...

Coleman: Tom -

Petters: I said did you want Deanna and I to fly to New York with you or just Deanna?

Winterstern: Just Deanna. (UI)

Coleman: I don't even know this guy.

Petters: You'll like, you and Henry will get along like two peas in a pod. Deanna is the one that is going to make this shit happen. She has been handling operations here for how many years? Too many fucking years she'll tell you.

Coleman: Too many.

Petters: She will tell you way too fucking.

Winterstern: That's great Tom. We'll have a, we will have a

long conversation on our flight to New York  
Deanna.

Coleman: Sounds good Henry.

Petters: Umm, so listen what time can you get here? A little bit earlier so we can just have you stretch. We will have a few people here to glad- hand with you.

Winterstern: What time do you want me to get in?

Petters: Like if you can get here like 2:00 or 3:00 would be nice, if you can. Because I would like to have some people glad-hand with you. We will invite Frank and the Palm Beach guys, they are leaving tomorrow. Let me find out.

Winterstern: First of all, how long is the flight from LA to Minnesota?

Coleman: Three hours.

Petters: Three hours.

Winterstern: And then it is another two hours difference, so I will get in five hours so I will have to leave first thing in the morning.

Petters: No, no, no, wait, is it that long? Oh are you coming from the West it is longer. Yeah.

Coleman: Ah-ah, it is three hours, yeah. At least, it might be 3 hours and 30 minutes.

Petters: You leave by 9:00 you will be here by 2:00. You leave be 10:00 you will be here by 3:00.

Winterstern: Well, when is the flights, you must know, you know any of the airlines that fly from LA to uh Minnesota?

Petters: Let me look, just a second.

Winterstern: Ah, hold on, listen Tom, I gotta, I gotta take this call. I will call you right back.

Petters: All right.



Winterstern: I will call you right back.

Petters: That guy, John (UI) is not listed.

Coleman: Paul Traub.

Petters: What?

Coleman: Paul Traub is holding?

Petters: No. He said Paul Traub is holding?

Coleman: Oh - Henry is now - Oh Henry is on..

Petters: Is Paul Traub on the other line?

Coleman: He was, I think I just screwed up your phone, sorry.

Petters: It's alright. You tell John, ah, here is the deal. Frank is coming here and can you help me with one thing?

Coleman: Yeah.

Petters: I know you (UI) to go, but just see these guys with me for about 15 minutes, half-hour?

Coleman: Oh, (UI) the Palm Beach people?

Petters: Yeah, because tomorrow morning they are going to want to coach us what is going on tomorrow morning.

Coleman: Okay.

Petters: Because we had (UI).

Coleman: Don't leave them without me though, I am not going to stay there without you. Okay.

Petters: I won't. I promise you I won't. I won't. I promise you that the only reason I want to meet with them is so you know what is going on tomorrow. Because I have to go meet Bob Sabes at 8:00.

Coleman: So you are not going to be at this ah tomorrow at this thing tomorrow?

Petters: Yeah, it will be Bob Sabes at 8:00 and then at 10:00.

So you know you could make Frank real fucking happy right now? Hey Frank, what time are you going to come into the office? Because I want to be there when Tom gets there with you and Tom. He will love it.

Coleman: I know Tom, but you know what? I have had enough. I don't want to talk to Frank. Sorry.

Petters: You could be in the car with those guys don't you just want to know when it is only good news and he goes, hey Deanna, yeah, that is all he will say. He will think you went out of your way.

Coleman: Oh, he has tried calling me, I am sure I have four messages from him.

Petters: It's okay, I am trying to just tell you how much he will think you blew me away.

Coleman: No, I will say hi to him.

Petters: Hello? Hello. You were talking to me and Deanna and you hung up.

Coleman: No, he had to get another call.

Winterstern: Let me ask you a question Tom, are you there?

Petters: Yeah.

Winterstern: So you said you are you going to arrange for, for a plane to take me to Minnesota to New York (UI) right?

Petters: If you do good, if you don't do good you're gonna be walking.

Winterstern: No, no, no, you checked me in, I'm serious, it's not joke (UI)

Petters: Yes, I'll, I'll get it, I'll get you to New York. I already I told you I would.

Winterstern: After that, what ya gonna do, you gonna put me in a (UI)

Petters: A Cessna, a Cessna, a Cessna 150.

Winterstern: What?

Petters: A Cessna 150, a prop. No, I'm just kidding. It's like a ten-hour flight.

Winterstern: All right, so then, you know, so if I left at like midnight, and just get back at 5 in the morning, I don't care. By the way, it's all good, you know, I'll leave, why don't I, why don't I allow a couple hours to get to my hotel room, take a shower, go into my (UI), all right?

Petters: You're (UI). Now listen, I'm gonna tell you what we got tomorrow, departing from Los Angeles to Minneapolis-St. Paul.

Winterstern: Okay, what's, what flight is it?

Petters: Just a minute.

Winterstern: Any change, am I checking in with Customs and all that shit?

Petters: What?

Winterstern: Cut this shit with you.

Petters: You too. We have our own air terminal here.

Winterstern: You do?

Petters: Yeah, it's right...

Winterstern: It's in LA, it's not in LA?

Petters: No, we have one right in, in, uh, Minneapolis.

Winterstern: I (UI) LAX, right?

Petters: Oh, you should take a red eye, you could be here, God damn. Here's how we

Winterstern: I was thinking (UI) tomorrow, um

Petters: We have a 12:45 a.m. flight that arrives 6:10 a.m. That's all I got on it.

Winterstern: Uh, I'm not taking that.

Petters: I knew you wouldn't do that. I don't take red eyes either.

Winterstern: I'm gonna take (UI) Minneapolis to, uh, to New York tomorrow night but I don't think (UI) let you smoke on the plane. On the plane right?

Petters: Listen, I don't know what their rules are there. I'll have to see if we can arrange it.

Coleman: No, he can't, Tom.

Winterstern: (UI)

Petters: I don't, I don't think you can smoke on a plane though.

Winterstern: It's for a Tom Petters flight.

Petters: It doesn't matter. They charter it out. They charter it out.

Winterstern: Oh, it's not your plane.

Petters: I'll see, it is mine, they're all my planes.

Winterstern: All right, so then if you own the plane (UI)

Petters: Is he a piece of work or what?

Winterstern: (UI)

Petters: Yeah, I'll tell you what, I'm gonna make more (UI)

Winterstern: (UI) fly the plane, you know, then what, what you doing with it?

Petters: Oh, you are just, what is tomorrow, the 16th?

Winterstern: Yeah.

Petters: I'll tell you what we're gonna do.

Winterstern: Tomorrow is, tomorrow is the 9th.

Petters: Tomorrow's the 9th? Oh yeah. I'm looking at the calendar here.

Winterstern: Now, what, what, what are the flights tomorrow?

What, what happens if I'm on a 12:00 o'clock flight? When do I arrive?

Coleman: Not until 5 or 6 tomorrow night.

Petters: Here, just a minute. From Minneapolis-St. Paul LAX. From LAX to MSP. Uh, All right, so, uh, this fare's cheap, holy shit.

Winterstern: What?

Petters: You're gonna have a red eye, they're just trying to, these fuckers are trying to put us out of business.

Winterstern: They have nothing (UI)

Petters: No, they, yes, they do have.

Winterstern: Oh, how do you go...

Petters: Here, wait, wait, wait, wait,

Winterstern: (UI)

Petters: Just listen. Listen. What time can you leave? I know what time you wanna leave, what time can you leave?

Winterstern: Um, I can, I can leave any time. (UI) I'll leave in the morning. If you want me there early, if you want me there for a three o'clock, I'll take a nine or ten o'clock flight, don't worry about it.

Petters: Here, here's an 8:15 that gets in at 1:48. Non...

Winterstern: Anything a little later than that?

Petters: Exactly. Talking to your twin brother here. He is really, I'm not kidding. Seriously, cuz I understand why he can't (UI) ten. I always wanna get there a little earlier and fly a little less longer. 12:19 gets in at 5:50 a.m.

Winterstern: That a red eye.

Petters: 5:50 p.m. Well you never get to meet these guys.

Winterstern: Well if you want me (UI)

Petters: (UI) here, tell John, tell John to come on in. John, I'm just trying to arrange Henry's, Henry doesn't have a travel agent.

Jeffries: Oh, okay. I'm gonna leave him with you then.

Petters: Yep, John come on in.

Jeffries: Okay.

Coleman: Is DeAnne Anderson still here?

Winterstern: (UI)

Petters: What?

Winterstern: You want me to get on the 8:15 flight, is that, is that, is that what you wanted still, I'll do what you want.

Petters: Look, if you just, I just, let me find out when these guys are leaving and then I'll call you back in a couple hours. How's that?

Winterstern: Okay, we'll figure it out, but

Petters: Now listen.

Winterstern: make sure you have a plane for me (UI) tomorrow.

Petters: Listen.

Coleman: Do you want DeAnne to book a flight right now?

Petters: Do you want DeAnne to look at the flights right now or what? Are you gonna, how you gonna do it?

Winterstern: Be right back, I'll call you right back.

Petters: Wait, I gotta go to a meeting. He keeps calling me right back.

Coleman: (UI) who's Henry?

Petters: From Fortress.

Coleman: Yeah, from Fortress. You told me that, I just couldn't remember.

Petters: I knew his dad. I'll tell you what, too many things to do and not enough time to do it. Somebody has to call Frank. Ask her to call Frank back. What time are you gonna be here for me?

Coleman: Tom wants to know if you can to call Frank Vennes to find out what time he can be here.

Jeffries: All right, so I can talk to you later?

Petters: Hello. Still be about ten minutes. What's that?

Jeffries: I can talk to you later, or I'll be here tomorrow.

Petters: (UI)

Jeffries: So, um, I brainstormed with John. He had some good ideas, some things we might be able to do but, you know, no, uh, silver bullet.

Petters: No silver bullet? On which part are you talking about?

Jeffries: Yeah.

Coleman: Hi.

John: How are you, I'm John.

Jeffries: About anything in general (UI)

Coleman: Hi, John. Deanna Coleman.

John: Hi Deanna, how are you?

Coleman: Good.

John: I can't believe we've never met.

Coleman: I don't think we have.

John: How 'bout that.

Jeffries: About anything. I talked with him about valuation, equity infusion, debt infusion, Polaroid (UI) after all that.

Petters: Did he talk about Iconics?

Jeffries: We talked about Iconics.

Petters: They're dead?

Jeffries: They are dead. We, we beat

John: I don't think they're dead. I think

Jeffries: They're

John: your business, five different reasons by they're not  
along with what we wanna do.

Jeffries: Yes, we went through all those numbers...

Petters: Yeah, yeah (UI)

Jeffries: ...or else he, so we did all that. Um, all right.

Petters: Okay. You have a good day.

Jeffries: I will, I will, thanks.

Petters: Thank you.

Coleman: So I'll let you guys meet then

Petters: All right, so if you can just get, have somebody (UI)  
Frank (UI) bring him up with those guys in that  
conference room.

Coleman: Okay. Sounds good.

Petters: Okay.

Coleman: All right.

Petters: All right, I gotta call (UI)

DeAnne

Anderson: Hello. Okay. About, yes he is. Okay, I'll alert the  
guard too just to make sure that there's somebody there  
at that time, yeah. Yes, yes, great, okay, thanks, bye.  
I didn't know he was coming. He'll be here about  
quarter to 7.

Coleman: About quarter to 7.



Anderson: Hm-hm, he's just picking those people up at the airport right now.

Coleman: We'll see you tomorrow.

Anderson: Bye-bye.

Coleman: Bye.