

09/11/08 7:00am  
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Deanna

Coleman: Deanna Coleman. Thursday, September 11<sup>th</sup> at 7:00am,  
playing Tom's voice mail from last night.

Machine: First skipped message sent yesterday at 9:21pm.

Tom

Petters: Hey, ah, Deanna, it's Tom. I just got off the phone  
with Henry. I just got off the phone with Frank. I  
believe that I, well I got half the battle won. Buy  
some time to buy out the hedge. I think I can get a  
letter from Fortress, um, in the next 24 hours. And  
maybe this can help (UI) Thane Ritchie's people coming  
to town (UI). They are going to come in to help us. Try  
to go raise some money. But, I'll get you and Bob on  
the same page with Jim in the morning and I think we'll  
get rid of the auditors, too. We'll get a letter, well,  
we'll get it and it will buy out their hedge fund, the  
Palm Beach hedge fund, over 4 months time, guaranteed  
payment. And then, um, this way it'll stall the audit,  
the option and, and ah, (UI) they should, we should do  
a receipt. I know I can do the (UI) Deanna. I know we  
can do it with Polaroid. It's a lot of money, but it'll  
give us an extra 6 months because it will put 30 days  
of due diligence. Giving ourselves a 30 day cushion to  
buy 'em all out. That way we'll have the auditors,  
Frank says to get that letter done. Um, he'll, he'll  
help me write it tomorrow and, ya know, not help me  
write it but tell me what dates to be on, Henry said,  
thinks we can get it done. So. Ugh, by the grace of God  
we'll make it through this, I think. And I just want to  
tell you that I love you. Good night.

Coleman: Now calling Tom Petters back.

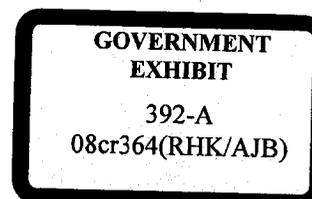
Petters: Hi. I can't take your call right now. Please leave me a  
message and I'll retur...

Petters: Hello.

Coleman: Hi Tom.

Petters: Hi Deanna, how are you doing?

Coleman: Good, how are you?



Petters: Good, just talking to Greg Bell.

Coleman: Oh, okay. I got your message. Um, actually I didn't get it until this morning.

Petters: That's alright. That's alright, but anyway, um, I think this'll work, you know, it's like putting duck tape instead of scotch tape on a pipe.

Coleman: Yeah, no kidding.

Petters: So, it's not a permanent fix, but it's a, it's a, buy us time, you know.

Coleman: Exactly.

Petters: Plus, I just gotta get some, just gotta find some money, you know.

Coleman: Right.

Petters: Fuck. I can't believe how dry it is, Jesus, but it's dry in this country. We're never gonna get money in this country, as I explained to Mary last night, explained to other people, it's like fuck, you know what, we're not gonna get any money. We're gonna get money outside of this country, and as soon as I can get these guys focused off these payments, we can sit wri-stop writing purchase orders and we can stop doing something else, and we can go and start working on positive things to go get some money on these licenses and other things, because I don't know anywhere else to get it, and I do know, I do believe in that, but I, you get kicked so fuckin hard all the time, but, you know.

Coleman: (UI).

Petters: Here's Greg callin' again. I guess I cut him off, um...

Coleman: You said you need some help with, uh, a letter.

Petters: Yeah, well, I don't really need any help with the letter. I just need sorta followin' up, somebody else to talk to, to make sure Henry gets someone to talk to, that's all, I can explain it to you as soon as you come.

Coleman: Okay.

Petters: Okay?

Coleman: Alright.

Petters: But I appreciate the call, and uh, you know somehow, some way we'll make it through all this shit.

Coleman: We will.

Petters: Yeah, that was Greg Bell calling you last night. He said, I freaked out. I had a nervous breakdown on Deanna last night.

Coleman: Why?

Petters: He goes like, I asked her for some collateral, and see when Greg laughs real high pitched, he's really stressed.

Coleman: I know, he is. He was very stressed. I can tell when I talk to him.

Petters: He said, I told her, how about you send some fuckin' payments instead of collateral ha, ha, ha. She said, I would if I could.

Coleman: I know. Hey, uh, Jim Granat, that 5 million, uh.

Petters: I know, I got Ted Deikel, Jim Granat, Greg Bell. I know. I just don't have, I know I gotta find it, if I had it.

Coleman: I know, and Craig Oberlander, he, um, you know, wants his 4 million back, and he sent me an e-mail, um, it wasn't a rude e-mail, but it was just straightforward, he wants to know when.

Petters: Yep.

Coleman: (UI) put him off, then it's gonna make Dean nervous.

Petters: I know, I already thought about Craig Oberlander this morning, isn't that funny?

Coleman: That is.

Petters: I think about him, today Ted Deikel is gonna go coo-coo. Boy...

Coleman: We'll just have to put 'em off for a couple more weeks, somehow or other.

Petters: Pardon me.

Coleman: I said, somehow or another, we're gonna have to put these guys off for a couple more weeks.

Petters: I know, I could just, god, just raise some fuckin money. It is such a dry spell, nobody believes me. The airline gets grounded today if we don't come up with a million bucks.

Coleman: Are you serious?

Petters: Yeah. For fuel, and they haven't even been asking from me, we owe them money, from when we took the money.

Coleman: No, we don't, Tom, because they owe us money from...

Petters: I know, but from Stan, that's not Stan's fault, when he started, he didn't borrow the money from, you know what I'm trying to saying, I mean, that time we went to short term money we took that one day?

Coleman: Right, but we've given them short term money and never received it back.

Petters: No, I know that, but they, they asked for it, because of the plan and all that, you know what I mean. I mean, they tell us ahead of time and actually he's doing one hellavu job, we could be bleeding to death.

Coleman: Yeah.

Petters: You, know.

Coleman: Yep.

Petters: If we woulda had Jay running it still, we'd be asked for 90 million.

Coleman: I don't see why Jay was even running it in the first place.

Petters: He was the only guy there, til we found a better one.

Coleman: That U-bid stock, were you ever able to sell that?

Petters: Uh, AJ told me it sold, and yesterday he told me that some guy wanted to know if he could buy it at the price I bought it for. I said no, you can't buy, what do you mean, buy it for the price I bought it for, it's up fuckin 80 cent a share, you fucker. So I have to call the broker myself this morning, it's George Johnson, asshole.

Coleman: Well, it's gonna be at least 3 days for a trade.

Petters: Yeah, I know, and we're suppose to have it back and on fuckin Monday he told me it would happen. My paper, I should have just let the trade blow up. That money we need for payroll today.

Coleman: Uh huh.

Petters: So I gonna get, I just gonna get some money this morning and Thane and those guys are coming this afternoon to have a workshop with us, sign their agreement and getting them finally out of the way.

Coleman: Oh, good. John sent me an e-mail, wanting to know if there's anymore updates on the uh, I don't know whatever deal we did with them.

Petters: Who did?

Coleman: John Wappler.

Petters: Oh. When did he send it, yesterday?

Coleman: Um, he did, yep. I just said I'd get back to him today. I don't know what to tell him. Tell him, there's no updates.

Petters: Yeah. Did we ever give them purchase orders, on those specific deals we did, did we?

Coleman: Um, no, we.....

Petters: David was asking me.

Coleman: We did not give 'em purchase orders, but remember when they came in, and kind of did a mini audit, um, we showed them purchase orders.

Petters: But not theirs?

Coleman: Right. Well, cuz this is all used for working capital, but remember, um

Petters: But I mean on the Play, but didn't we have, didn't the PlayStation one, wasn't that a separate one?

Coleman: Oh the PlayStation, I get so confused on all these....

Petters: So do I.

Coleman: Um, the PlayStation was....

Petters: Just checking....

Coleman: Yes, that was a separate one, but we did not, isn't that the one where we said we sold them internationally?

Petters: Yeah, yeah, yeah, and I don't think we ever give 'em POs.

Coleman: No, we never give 'em POs on that.

Petters: Good.

Coleman: But remember I had to do a spreadsheet on that...

Petters: Yeah.

Coleman: Showing, um, when it was shipped and when we expect payment, and I need the first payment was expected in the middle of August.

Petters: Yeah, that where it was. God, boy, something's gotta give. It'll be helpful to get this Fortress thing outta the way, if that works. Frank and I was talking last night, he's like a basket case, too.

Coleman: He's, yeah, he's so funny, he is so demanding until you give him what he wants and I almost wanna say, Frank, do you want me to just make up a PO for you?

Petters: I know.

Coleman: I think he would say yes.

Petters: I think he'd say yes too, I think he's just, he's so nervous about going to, he's nervous about their fund

blowing up and him going to jail.

Coleman: Yeah, how long did he go to jail over that?

Petters: A whole bunch of reasons. See, these funds have not done, if you invested money, let's pretend you were somebody investing money with them.

Coleman: Uh huh.

Petters: They represent that they go check the warehouses, they have a lock box, they have this, they have that, people start checking all that stuff they'll say, you guys didn't do any of the things you said you're gonna do. You just went and raised all this money.

Coleman: Right.

Petters: So, I mean, there's problems for everybody, you know.

Coleman: Right.

Petters: But I mean, they have huge problems. The first people to get sued are gonna be them, not that we won't be found innocent, but I'm saying they are gonna go to them and say, wait, you know what, if we, had we had, so I mean, one of the reasons that these guys are working with us for so long and totally convinced is, it's called self-preservation too, you know.

Coleman: Uh huh.

Petters: Which, you know, who wants anybody to blow up? That's why I'm trying to get this Fortress thing, and then, you know, some people that can make a difference like Girard, like Thane Ritchie, like, um, not, you know, not some of the empty suits, I mean, I love AJ (UI) Last night I blew up. I was like...

Coleman: With AJ.

Petters: Yeah, because, it's like, quit telling me you're gonna, you're gonna work out everything with everybody because it probably feels like it does when I talk to you.

Coleman: Right.

Petters: You know, you get sick of hearing my bullshit, and he's

working on it hard, you know. It just like, fuck, he's just as scared cuz of his business, you know.

Coleman: Right. Well,

Petters: You know, everybody's scared.

Coleman: If we get that money back from Camille, um, in Central America, that would help so much with, it's supposed to be what, 10 million?

Petters: She's coming over here at 8:00 to have breakfast. She wanted to have dinner tonight, can't have dinner tonight cuz those guys Ritchie Capital are gonna be here. Let's go to Vegas today. Fuck.

Coleman: No kidding. It's like the only place you can relax, it's just, being away.

Petters: Ugh, god, I'm telling ya. I can't remember getting, I feel like, you know like a boxer in a ring where, and now we must know what it feels like to get punched so many times that you can't, you're on the ropes.

Coleman: No kidding.

Petters: You get back up and try to take one more swing.

Coleman: That's about it.

Petters: You know.

Coleman: Yep.

Petters: God, but um, anyway from a positive side, you gotta look for the positive things.

Coleman: Right.

Petters: If anybody else tells me today that the world's coming to an end, uh god, and these politics! Bob White. Bob, I say, are you watching this? McCain just pulled ahead. I said to me again, Bob I don't give a fuck about that right now.

Coleman: He's so concerned about that.

Petters: I start laughing. I go, are you doing this to aggravate

me? No, I'm very concerned. I can't believe that people are going for McCain, because this woman is good looking. I can't believe. I said, believe it Bob, I said, whatever. He go, I called you about something totally different. I called him about this thing, you know. I called about what I called you about. I said, look, I gotta work on this but I said I tell you what, um, he says, well, I gotta go to a sail boat thing this weekend, I said, I said, it's not, I said, look, I just asked if you were gonna be around. And then he said, I don't mean the sail boat, I mean, I'm with the ki-, I said I don't, whatever you want to go to, go to. Sometimes when I'm talking to Bob I can't get the first three or four sentences out because we start talking about something so different than what we're talking about solar panels or something.

Coleman: (UI).

Petters: And I mean, I just am so unexcited about doing another goddamn technology company.

Coleman: We've lost so much money on that.

Petters: Ah, that was one of the beginnings of when we really went into, really started to plunge into debt...

Coleman: Wow.

Petters: First deal we threw 30 million in the stores and Red Tag.

Coleman: The stores, Red Tag, yep, um, and Viewbeam.

Petters: Huh?

Coleman: And Viewbe, Viewbeam, whatever it's called.

Petters: Oh Viewbeam. That was a good. Ah, what's the matter with that investment?

Coleman: Really. No, this letter...

Petters: That guy downstairs...

Coleman: What's that?

Petters: That guy downstairs with the big beard, Santa Claus?

Coleman: Yeah, he owes us 500,000 dollars, and I asked Bob if we're ever gonna get it, he said, no, the guy's basically filed bankrupt.

Petters: Oh really.

Coleman: Uh huh.

Petters: He owes us 500,000? What, did we loan him an extra 500,000?

Coleman: No, remember? This is, I remember I was out of town when we did this, um, because you guys had called me and you did not want to do it, but Bob was like forcing you to do it. And we borrowed him \$500,000 on some kind of technology deal or whatever.

Petters: Ugh. Oh yeah, that stupid, fuckin, some other deal he had, um, energy or battery....

Coleman: Yeah, I don't know what

Petters: (UI)

Coleman: that's all about. I just remember I came back and you were, and I asked you what this 500,000 and you were a little upset.

Petters: I remember. You have a good memory.

Coleman: Well, sometimes.

Petters: Well, you do, I'll tell you what, I wish I, fuckin ah whatever, it doesn't matter what I wish anymore.

Coleman: Oh.

Petters: All I know is that I can't change the past, I can only try to change the future, and I tell you what, it is hard to do, isn't it?

Coleman: It is.

Petters: Alright, you know, it's har-, it's so hard to keep a positive attitude, if I get this audit thing called off, then I gotta, you know, it's not a breath of fresh air to take a vacation. I wish I could. It's a breath of fresh air to go get a little bit of, if you want to

call it fresh air just a little bit of time. Now this guy that Thane has coming in is really good at figuring out how to do cashless transactions, you know, with people, make more....

Coleman: What's his name? Was it, I think AJ was telling me about him last night.

Petters: I don't know, Claude Pierre, or whatever, I don't know what his name is, but...

Coleman: Is this the guy Ritchie Capital had brought in?

Petters: They had him, used him at Ritchie Capital to, to save, to negotiate out with their creditors.

Coleman: Okay.

Petters: But, like I said to AJ, you can't do that with Ted Deikel and people like that.

Coleman: Right.

Petters: You know?

Coleman: Well, they think it's all real POs, don't they?

Petters: Um, who Ritchie Capital?

Coleman: Ritchie Cap, or this guy coming in, or he doesn't know anything yet?

Petters: Well, he doesn't know anything, but...

Coleman: Okay.

Petters: He's not, I don't think he's gonna try to negotiate the hedge fund deal. He's trying to help us get money with Polaroid, and I don't even know, I don't know, I just don't even want to see him.

Coleman: So this letter, are they gonna do this letter today?

Petters: Well, we're gonna make an agreement with them to do the letter today and then hopefully get the letter tomorrow or Monday. They want 10, you know, they want 10 fuckin million dollars from us, they're probably gonna hold me up before, I don't know.

Coleman: 10 million as like a fee or commission.

Petters: A fee, you see, when we buy like Marlon's down, we save \$30 million they got half of it which is 15 million, but we get half of it.

Coleman: Okay.

Petters: So when they negotiate like a Palm Beach and they offer them 800 million instead of a billion, there's 200 million in savings, they'll get a cap of like 30 or 40 million of that.

Coleman: Okay.

Petters: So we'll save 160 million, let's say, or 150 million, we haven't negotiated it all yet, but hypothetically they get like 20 or 25 percent of the savings and they'll, and that's when they put up the letter and then in some cases they'll put up money, but if we don't have collateral to back it, we'll have to put up the money which means that's why I gotta go overseas to sell the licenses to get the money, so what they're really doing is they're saying on the \$10 million we never did Marlon's deal yet, so you guys owe 15 on that, so give us 10 and we'll go ahead and do all of these other deals for you right now.

Coleman: Okay.

Petters: So um, they would have gotten 15 million if it was the end of the month to do Marlon's and now saying to Marlon, why do we just give Marlon 30 million instead of the 260 million and make his loan current, we're gonna tell 'em we're not done with due diligence and you guys can buy yourselves another 60 days, which is a good idea. Since we don't...

Coleman: Right.

Petters: Do you know what I mean? Whatever we do for less.

Coleman: Right.

Petters: So, theoretically, Fortress is gonna be a really good backstop for all of these deals, I mean, it's, it's, coulda I almost used them for Ritchie yesterday, I yelled at Thane, I said do you want me, and I said, if

you're trying to fuck us just tell me right now and I'll file bankruptcy in the morning. You don't need to have me, tell me today.

Coleman: Right. But now Fortress, do they know that these deals are bad, or do they think they're all good?

Petters: They think some are bad. I told' em some are bad, I even told' em, see if you tell people some are bad, right now, there's gotta be two good ones in there somewhere, no

Coleman: Right.

Petters: If everyone thinks everything is bad, which I is the way I feel. I feel bad I asked those questions the other day. I didn't mean to ask them the way they came out. And I know there, you know, I know and Jim knows, we all know and we all hate to say it, God.

Coleman: Right. We all know, but we just don't want to believe it.

Petters: Exactly. You're goddamn right about that. Well, look, I gonna get ah dressed here and say hi to the kids before they go to school and Camille gets to come over for breakfast and I'm coming in.

Coleman: Okay. Alright, well I will um, I'll see you at the office then.

Petters: Okay, I'll see you in a little bit.

Coleman: Okay.

Petters: I'll ask Camille about that money again. I don't think it's coming this week though.

Coleman: I don't think it is either.

Petters: Yeah, how come we can't make an investment that works?

Coleman: No kidding.

Petters: Jesus, God.

Coleman: It's almost too good to be true.

Petters: Yeah, I know. Now we're only gonna get our principal back.

Coleman: Yep.

Petters: But, if we get that, we'll be lucky, you know what I mean?

Coleman: Exactly.

Petters: It's like, I guess we gotta look at it the way ah things really are. You know, the good thing is, we finally got something to sell that I believe in...

Coleman: Right.

Petters: If we can get time to sell it, I know I can sell it. Just gotta get some space in between, you know, that's why we really do need a couple hundred million dollars plus, I mean, it was nice to put people off for two weeks, two weeks, and two weeks, putting people off, putting people off, putting people off, putting people off, that's all you ever do, putting people off. And we just gotta figure out where to find some goddamn money. Girard, you know, I don't know, he has, he has to get the money from somebody else, ya know, he only has like 20 million and he asked me if he sends us the 20 million and he can't get the rest, and it's like everything has got a tail with it, and I don't know, God, I just, somebody, somebody in this world's gotta have some money that will loan us against Polaroid, but you know, Mary goes down...

Coleman: (UI)

Petters: Mary's like, goes down to two low levels, she's like a venture capitalist where they look at everything worth nothing.

Coleman: Right.

Petters: So they kind of go way under the value, like you gotta believe in it, and they find downstairs instead of working on collections in sales they're working on those goddamned 4by4's. Those 4by4 charts.

Coleman: Uh huh.

Petters: Of Polaroids, you tell them they can create a 4by4, they need to get out and sell. Mike O'Shaughnessy got me all wound up last night telling me that.

Coleman: Well, I agree. Do they sell anything at Polaroid?

Petters: I tell ya, 30 percent down.

Coleman: That's unreal.

Petters: But, but the economy is horrible. Mike O'Shaughnessy shut down his appliance company yesterday.

Coleman: That's what he told me. He was gonna close down his Elements, white goods.

Petters: Yep. Um huh. Yep. But he's still selling TVs. He's gonna sell as much TVs as Polaroid.

Coleman: Oh.

Petters: 2 or 3 hundred million.

Coleman: That's good.

Petters: But you know, Polaroid's used to be up around 9 hundred million, now we're at 2 or 3 hundred million, but the market's changed and lots of things, ya know, you got all these fucked up factories. Think of all these assholes we've had, Cord Christenson's of the world, Manny Madrilles of the world, I mean all of them and the history of it. Rock-n-Roll, the people we've had, Greg Lahreman, all the rape artists we've had in this company. God.

Coleman: No kidding.

Petters: The hall of fame.

Coleman: Yep.

Petters: Anyway, doesn't do any good to think about it. Just gets you angry, gives you a heart attack.

Coleman: Right.

Petters: You know?

Coleman: Yep.

Petters: I just gotta get, (UI). Get rid of my, I just wanna get to a place, hopefully, we can get to a place where we have about ten of us, you know, and do deals, not merchandise deals. I don't ever want to talk to another retailer as long as I live after I get done with this.

Coleman: I don't blame you.

Petters: God.

Coleman: Do some real deals.

Petters: God. Okay. My hair looks long. It's cuz I haven't had time to get a hair cut.

Coleman: That's okay (UI).

Petters: Will you cut my hair?

Coleman: Sure.

Petters: Okay, bring your scissors.

Coleman: Okay.

Petters: Alright.

Coleman: Okay.

Petters: See you later.

Coleman: See ya in a little bit. Bye.

Petters: Alright, bye-bye.