

09/17/08 1:45pm
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Larry
Reynolds: Hello.

Deanna
Coleman: Hi, Larry. Hold on.

Reynolds: Hi Deanna. How are you?

Coleman: Good. Hold on one second, I'm sorry. Okay. So I don't, have you talked to Tom again since we hung up?

Reynolds: No.

Coleman: Okay.

Reynolds: I, I just spoke to DeAnne. She's gonna book my flight out there probably Wednesday morning. Tom will get back early Wednesday morning.

Coleman: Okay, perfect.

Reynolds: So we will spend the better part of Wednesday and Thursday together. I'll probably fly back here Thursday night.

Coleman: Okay, that will work. What has Tom told you? I mean what, what do you know?

Reynolds: Very little.

Coleman: That's what I figured.

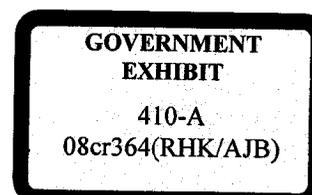
Reynolds: You, you, you know, you know what I know. I know bits and pieces. I know that we've gotta do something fairly quickly.

Coleman: Has Tom told you that these PO's are fake PO's, they're not real?

Reynolds: Oh yeah.

Coleman: He has? Okay.

Reynolds: Yeah. And I actually figured out for myself.



Coleman: Well, I figured you probably you did, I guess I just didn't wanna come right out and say it.

Reynolds: Well, there's no reason to.

Coleman: So, it, it's been going on for many many years and it's just, um, it's one PO after the other and that's, we've got ourself in a lot of trouble.

Reynolds: I know, now we gotta figure a way to get out of it. That's all. I'm not saying it's gonna be easy, Deanna, but we gotta figure a way out.

Coleman: Right. What is...

Reynolds: And

Coleman: ...I mean what's Tom, what has Tom said or what is his major concerns? I mean I, I, I can only imagine but I'm just curious on what he's told you.

Reynolds: Yeah, well the maj-the major concerns, you know what they are, what, what we're trying to get to happen is he thinks he gets to sell 50 percent of Polaroid. Pick up about a billion and a half.

Coleman: And who's gonna buy Polaroid for a billion and a half?

Reynolds: Probably just people in various ways. No one can take, well from what he tells you, no one person in particular. The guy in Kazakhstan wants the license for Kazakhstan and Russia.

Coleman: Do you believe that?

Reynolds: Uh, I'm not sure but we're definitely gonna find out Wednesday.

Coleman: Okay.

Reynolds: We gotta ask some tough questions.

Coleman: Yeah we do. Tom, uh, tells you things to make you feel better or make you happy but, uh, I just, you know, I just don't know what.

Reynolds: No, I don't wanna feel better. I wanna find out all the whole truth so we know what we have to do.

Coleman: Right.

Reynolds: Because it's very difficult trying to do something only knowing part of what's happening.

Coleman: Right. Okay.

Reynolds: Uh, I understand Greg's situation pretty well.

Coleman: Greg Bell?

Reynolds: Yeah.

Coleman: See, I don't even understand that completely, but, oh I know he's in trouble and he has a lotta redemptions.

Reynolds: Well that's the problem. But for that, there'd be no problem. Be minor problems but they'd be solved easily.

Coleman: Does Greg Bell, do you think, know what's going on? Do you think he thinks this is all real or do you think he knows?

Reynolds: He's gotta know. Greg is very smart.

Coleman: I would think he's gotta know but I just, yeah, I don't know if he knows or not, but.

Reynolds: Well, if I had to bet on it, I'd say he does.

Coleman: Okay.

Reynolds: (UI)

Coleman: Do what?

Reynolds: No, I was just talking to somebody else.

Coleman: Oh, okay.

Reynolds: I, uh, I think that he does but I think that he feels that as long as he can protect Tom and himself, he will. Because anything adverse that happens is gonna affect him adversely.

Coleman: Right.

Reynolds: So I think first of all, he wants to believe, that's

half of it.

Coleman: Right.

Reynolds: And, I, I, I think he actually knows pretty much what's happening.

Coleman: Ooh, that's loud. Okay.

Reynolds: And, I think that's good. It's, it's something that I don't think you'd wanna discuss with anybody else but Greg happens to be a very intelligent person.

Coleman: No, I know that, yeah.

Reynolds: And I think he's figured all this out by himself and he doesn't wanna come out and say. He'd just as soon be left in the dark.

Coleman: Right. Well doesn't he have, um, laws and stuff he's gotta fol-follow, I don't understand how he can continue following.

Reynolds: Okay, well, yes, yes, he does but that's why I think he asked for these, hold for one second great thanks very much, I appreciate it. Thanks. Thanks. Thank you. I think that's why he's trying to work things out. Tom keeps telling him certain things, and Greg wants to be a believer. Because it's the easiest way out for everybody.

Coleman: Right. So how does he get by with...

Reynolds: And

Coleman: ...it, with this, with the laws that he's gotta follow?

Reynolds: I, well no, I think that he needs these new PO's just to put in his file so that if any federal people come in or any SEC people take a look, his file looks pretty up to date and nobody really checks it and they don't see exactly how far behind it really is.

Coleman: Well right now, he's having me do purchase orders to replace Boscov's purchase orders because Boscov's filed bankruptcy...

Reynolds: But this is...

Coleman: ...obviously they're, yeah, no good.

Reynolds: Well, that I understand. And the problem is that if they see Boscov's and they see that we're not listed there as a creditor, we've got some problems.

Coleman: Right.

Reynolds: So that I fully understand. And that's something that may have to be dealt with to protect, you know, protect everybody. Th-that's like the best of a bad situation.

Coleman: Right.

Reynolds: While it's not a great situation, the alternatives that we face if we don't, it'll make the problem worse.

Coleman: Right. You know what, it

Reynolds: And then I understand completely and I think if he gets that, he's gonna feel a little more comfortable because if anybody came in to inspect the last, and that was on the books there, I would think there would be a tremendous amount of question asked that no one could answer.

Coleman: Right.

Reynolds: Because at that particular time, you'd actually see or, or it would appear that some type of fraud exists. If you can just match it up to a wire okay, that's fine. You're a creditor of Boscov's? Well the answer to that is no and they can find that out in about an hour. I, I, unfortunately think that's a problem we do have to correct.

Coleman: No, and, and I agree, I, yeah, I, he has...

Reynolds: For, for everybody's sake.

Coleman: Right.

Reynolds: That I think is one of the easier problems to correct.

Coleman: Well that, that it is. That's, you know, it's just doing some more purchase orders and replacing the Boscov's one.

Reynolds: Right. That all makes it easy. I think we've got some other problems that are ahead of us that I don't think are quite as easy but I think if we put our heads together and figure out a plan. And if Tom can arrange some type of money, doesn't have to be borrow money. All you gotta do is really show them that you're trying and you're giving them something, you're giving them a great story to go with it.

Coleman: Well, and I agree but Tom's biggest problem is he promises the world and, you know, I don't wanna say Tom lies to them but he tells them what they wanna hear and it always comes back to

Reynolds: You can tell them what they want to hear, but only so much.

Coleman: Yeah, but he tells them a little too much and, uh, you know, it always comes back to...

Reynolds: Just

Coleman: ...haunt him and that's why I have all these phone calls I can't handle and, you know.

Reynolds: You can't do that. See, you can only tell 'em so much, you gotta tell 'em just the bare, what's gonna satisfy 'em. Although they may not be happy with the answer, they'll take it, at least as a stop gap.

Coleman: Right.

Reynolds: You can't promise 'em the world and not deliver anything. You wanna promise them the world and give them half, that's one thing. We, we can't do that. The situation that we appear to be faced with. We gotta promise them drips and drabs and perform all those small things just to keep 'em mildly content. Happy they're not gonna be. But if they see any type of payment coming in, I think we'll alleviate an awful lot of pressure from them.

Coleman: Right. Well. Okay.

Reynolds: We're working on it, believe me. I have a few ideas, and let's see if we can implement some of these things. What is the total amount we're talking about, in excess of two billion?

Coleman: Yes.

Reynolds: That's what I figured. Yeah, that's a rough guess on my part.

Coleman: Yeah, no, it's, it's more than that, so yeah.

Reynolds: Huh?

Coleman: I said it's more than that. It's a little,

Reynolds: How much...

Coleman: ...little

Reynolds: ...how much more?

Coleman: Little over three billion.

Reynolds: Oh, it's three?

Coleman: Yeah.

Reynolds: Okay. All right.

Coleman: Little over that.

Reynolds: All right.

Coleman: So. All right, well thanks, Larry, I just, um, I guess I just wanted to know if you actually knew what was going on or, you know, Tom told me you did but I just wasn't sure what all he's told you, so, that, um.

Reynolds: All right, believe me, a long time ago I put a lot of this together.

Coleman: No, I figured you did, and I figured you knew. I just, like I said, I just, you know

Reynolds: Without anybody saying a word.

Coleman: Well, I, it's, it's kinda hard not to. It's, um.

Reynolds: Yeah. Now let's see if we can fix it.

Coleman: Okay.

Reynolds: That's all.

Coleman: Sounds good.

Reynolds: All right.

Coleman: Um, tomorrow morning I guess we're scheduled at 10 o'clock for a conference call.

Reynolds: Okay.

Coleman: So that'll be 8 o'clock your time.

Reynolds: Okay, just give me a ring and let me know so I'll make, make sure I'm, I'm around at eight.

Coleman: Okay, and um DeAnne Anderson sent out the conference call number, the dial-in number so let me know if you didn't receive that email.

Reynolds: Okay, I'll be home later on. If not, I'll call you in the morning.

Coleman: Sounds good.

Reynolds: Thanks.

Coleman: Thanks, Larry.

Reynolds: Bye.