

09/19/08 2:28pm
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Bob

White: How are you?

Deanna

Coleman: Why are you still here? I thought you left.

White: Nope. No. Had to sign the documents.

Coleman: Okay.

White: How are you doing?

Coleman: Good! So.

White: Jim has a sense of humor that I didn't know about.

Coleman: Jim Wehmhoff?

White: Yeah!

Coleman: Yeah, he does have a pretty good sense of humor.

White: At lunch he was saying that...

Coleman: Mm hm.

White: Bill Dunlap is so uptight about things, but ah I think from a memorandum, or a time sheet that he filled out? Um, for those who ah that don't appear to be putting in forty hours per executive order, da da da da da. He had to (UI).

Coleman: That was...

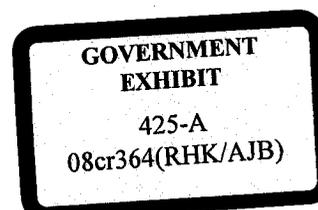
White: He had to.

Coleman: Is it a joke, or what?

White: Yeah, it's a joke, and he was just stompin' off to see Patti Hamm about it.

Coleman: What? They tell Bill, too, it was a joke?

White: No. And then he. They took up when he said he was worn down when he had his baby. They took up a collection to



put up money for Bill. And they put some pennies and quarters and stuff in there, and. And then somebody put in a one of those printed fake million-dollar bill.

Coleman: Yeah?

White: And then Jim sent him the 1099 for a million dollars!

Coleman: Poor Bill.

White: And he just.

Coleman: Funny, funny.

White: Yeah. Well.

Coleman: So what were you signing documents for, Zink?

White: Yeah. And the loan is about, an. A loan with a company called Loras.

Coleman: Loras?

White: Something like that. He's a, he's an Israeli person. Ya know. Giving us a six million dollar loan and a four million dollar line of credit.

Coleman: Does that work?

White: Yeah. So, that puts us up to ah January/February or so. And we're doing a 25 million dollar round with a brokerage firm. We're trying to raise stock. And that should fund it forever then. Then it shouldn't need, so it's making enough money to support itself.

Coleman: Good!

White: Yeah. Yeah. And that

Coleman: Good.

White: Puts it. And if, assuming we get ah tomorrow. Um. Ah. Other people started using the thin paper Dell. And then.

Coleman: When does Dell start selling?

White: November.

Coleman: November.

White: Mm hm.

Coleman: Okay.

White: So. That should actually come full ride. I believe it will. Cuz they're gonna advertise that category, that type of thing.

Coleman: Well yeah.

White: People will see it, people see it and they know what it is, and people will start to use it. And, ah. Anyway. That's. If that happens. And then, ah, we get Sony straightened out then all of the sudden Zink is making money. It's profitable. A real company. (UI)

Coleman: Definitely.

White: I mean for real. That's

Coleman: That's great.

White: ...not phony fucking bullshit. Ya know? I mean

Coleman: We'll actually have a real deal, ya mean?

White: We got a real company again. A real,

Coleman: Wow.

White: Real company that's worth a lot of money. Ya know?

Coleman: Right.

White: I mean. Instead of just this bogus crap, that nothing makes any money. It drives me crazy.

Coleman: I agree. It's. Tired of it.

White: Poured, poured money into deals that had no chance of ever doing anything.

Coleman: Well you, ya look and see how much money that he put into all these other companies, like

White: Stupid things.

Coleman: With the way Tom did it to himself, and you know he can't...

White: Yeah, I know. Just stupid.

Coleman: ...blame us for any of it.

White: No. I mean you hear about it months later, or

Coleman: Mm-hm.

White: Some. And this media group,

Coleman: We had no option.

White: You know he...

Coleman: And no word on

White: Nothing.

Coleman: ...that stuff he bought. Well, he's still wanting things right and left, and, ya know?

White: Oh, I know.

Coleman: That magazine company that

White: The magazine. Well

Coleman: Tom said it's...

White: You know.

Coleman: ...gonna be profitable, I'm going, "Oh yeah, right."

White: So what?

Coleman: It's not profitable.

White: And you know what? Ya know. I talked to Bill Dunlap, who's running it. He said "I, if I can make a deal with the Mall of America, I might be able to get it profitable. And I said, "And how much would you ever make if it did," "Well, ya know maybe a million a year if things went really good."

Coleman: That's pushing it.

White: Well, and he's saying...

Coleman: But, a million...

White: And he's saying...

Coleman: ...a year.

White: ...if it

Coleman: Yeah.

White: ...went really well, then

Coleman: Yeah.

White: ...that would be, it would make.

Coleman: Oh.

White: Okay? That if everything was just extraordinarily lucky.

Coleman: Mm-hm.

White: Okay? Well that'll never pay back our original investment. I mean, it would ne--, we, it would. The best it could do is lose money.

Coleman: But, it's just. It's just getting Tom's word out, or Tom's name out there and his face out there, and that's what he loves!

White: Well.

Coleman: Loves being in the spotlight.

White: Yeah, well he's gonna be in the spotlight. So, (UI) we're not in as bright a spotlight as he is.

White: Well, I'll get the documents done.

Coleman: Oh, Greg Bell called. Um. Wanted to know if you were working on those, those documents with that issue.

White: I don't know what to do, do you? I mean, I'm happy to do it, but I don't know what to do.

Coleman: Tom hasn't said to do it, so.

White: I know!

Coleman: Yeah.

White: I don't know what to do! I mean, I really don't. It's not like I. I thought of an idea, at least I thought of something to do. But. And, but, did Tom tell Bell that we were doing it?

Coleman: He, more than likely, but yet he won't tell us. Oh, should we, let's quick call Tom. Close the door, will ya?

White: Yeah.

Coleman: Um.

White: Ya know, it's just like. That it'd be, I think it's bad to do, ya know.

Coleman: No, I agree, I, um.

Tom
Petters: Hello.

White: Hi Thomas, how's your day!

Petters: How is my day?

White: Deanna and I are here in the office, and we just were wondering how you were doing.

Petters: I got nothin' to do.

White: That's...

Petters: I was tryin' to, I was tryin' to find out something to do. I don't know, (UI)

White: Yeah! That's kinda

Petters: ... (UI)

White: ...where we were, we were trying to think of some, ya know, and thought maybe we could chat for a while just for fun.

Petters: I can't hear a word. The phone's moving around and there's something.

White: Oh, okay, and we're just giving you some bullshit for fun, that's all.

Petters: No, I know. I'm just kidding you, they, they won't let

White: Yeah.

Petters: ...and I can't find anything to do, but

White: Yeah, I hear ya, um.

Petters: I'm actually, ah making progress on, ah a couple of fronts.

White: Okay.

Petters: So, I don't know where to raise any damn money, but I'm trying to get a...

White: I know. All right. We know. Ah.

Coleman: The reason why I'm calling is Greg Bell.

White: Should I do?

Petters: What?

White: Should I do, should I write that stupid letter for Greg, or not, or, what do you think we should do? What does your gut say?

Coleman: Greg called me, probably thirty minutes ago, and wanted to know how Bob and I are coming along with that information he needed.

Petters: Yeah. I think the one thing that we, that I think, and I hear it in both of your voices the last day or two, and it hasn't been in mine. And Bob, uh, Deanna called me and said what a good job you did on that call.

White: Oh.

Petters: And, when you want to, you can do all kinds of shit, and when you don't want to, or you get too tired, you can't. You both know what it's like, and so do I.

White: Yeah. I know. We're all

Petters: So, ah. So, ya know what? Um, I think the one thing that means so much to people?

White: Mm-hm?

Petters: And I think this is why we're still in business.

White: Yeah, it's calling 'em.

Petters: But, cuz we call them, and we talk to them, and I think it's time for us to say, and, this is what brings people's fear net down, the reason Frank runs to me or the reason people always call Deanna, and I've always like Deanna, Deanna always communicated. And, and that doesn't mean like you or me less, Bob, I'm just saying, if

White: No.

Petters: ...what you did today was proactive communication, and, you gave it right to him straight. I called Gregg Colburn over the other day the way Larry said, and I said, "Gregg. We gotta a problem on these. You're not gettin' those first two payments, that's why we gotta call. Ah, we'll talk to ya next Wednesday, and when Larry gets into town, he's gonna find out what's going on, on the problem, you know, on these TVs, and we'll talk to ya," and he goes, "Oh, thanks a lot for the call." And he was like okay, then he dropped his, ya know, bullshit. So. With Greg Bell, let me tell ya what he, what my feed, my, to my sense is. My sense is that he feels like, that he's, he's used kinda. Ya know?

White: Yeah.

Petters: That others have gotten payments and he hasn't, he doesn't understand why, but he's willing to accept that. He just wants to get out. And

White: Yeah.

Petters: ...he'd do anything to work with us. I think, anything short of committing fraud and knowing that we're committing fraud.

White: Yeah.

Petters: And I think he knows that there's a very good chance, and I've talked to him about, I don't know. Ya know, I have to say I don't know, I can't say I know they're all fuckin' real.

White: Yeah.

Petters: Because one of the things is ah, ya know. At, at the end of the day, push comes to shove, you gotta get to a point in negotiation with everybody, just say look so what if we got nothin' here. And people look at ya like, "What the fuck?" Well ya know what? If ya have a life raft for them when you say that at the same time

White: Sure. They're happy to get on it, cuz they don't wanna go down.

Petters: Hey well, guess what? I said, "Greg. We get our ass overseas and start raisin' some money after these Polaroid things," and I said to Thane, "Thane, we start doing this, I mean, it should pay it back, but if you don't help me, I can't do it." So. Thane is all about, "Okay, how do we get. And how, how can I help on the Circuit City, how can I help on this, how can I help on that, and how can I go overseas and make money, how can I get money into Greg's fund." The guys at Palm Beach uh, is, is the heaviest working one right now. But with Greg? I think that if we can get conversation. Even a, I mean, I hate to say this, but, even an invite to say, "Greg, when are you free to get together?" With you guys. And, and we might say that. I don't think he will, he's goin' overseas on Sunday. But I'm not asking ya to make an impact that ya don't wanna make, but I I'm, I just. And he's like God! And ya know, he's like, "What? I thought we were all friends," and he says these things, and I go, "We are," ya know, and he's like, "No, I ch-- " But, ya know uh, that's, Bob, I, I tell ya pretty graphically the way they, just exactly the way things are, I'm not tryin' to hide anything or shoot anybody or

White: Yeah.

Petters: ...kill anybody or, Deanna, ya know? All of us are in the stormy boat together. But they're in it with us, too. You have to recognize something, because it'll

help your fear level.

White: Yeah I know. They're pregnant, and they wanna, they, ya know

Petters: By the way. They're na-, they're real pregnant. Who ya got lookin' for. And look. When things are great people tell you they want this, they want that. I mean, they, they, then when they don't get it, they walk away. When things are shitty, they start pointin' directions.

White: Yeah.

Petters: We're pretty lucky that Frank and the guys at Palm Beach are the way they are right now. And we're pretty lucky, so one of the things that I suggest, this is this is not an answer to your question of what you should do today. This is to give you a bearing, sort of, if you will. I don't know if you're, if, if you guys follow me, but if ya don't

White: Yeah, I follow you, I should just

Coleman: I (UI)

Petters: Ya know

White: ...call Greg and

Petters: ...all of the sudden regain some connectivity. A conversation that doesn't talk necessarily about which is the next step. But, ya know what? This has been a shitty, shitty time together. And y--, we, we really care about you. And, we're scared along with ya. And, we're all scared because, ya know what? A lotta shitty things are happening and we can't explain everything. And, we're trying to explain some things, and we're gonna get 'em figured out. But, ya know, we could basically, what Tom's saying is focus on getting money wherever you can get it. And so one of the things we don't wanna do is trip ya up. And, if we can get a letter crafted. Number one, if we can show the guy will, he'll get it'll be denied and we'll be in trouble, and

White: Yeah. It

Petters: (UI).

White: ...makes it worse.

Petters: Whatever.

White: That's the problem, yeah.

Petters: And those are the kinda things you gotta say to him. And but. That's the kinda thing that you send with the letter saying that this letter is ever disclosed, it's not valuable to, as a separate letter, I mean to 'em. If he knows that then it's not gonna, that it could be denied. Greg's not gonna show it, some people would. Greg's not. Marlon's stupid that way. But. Greg would. But one of the things is, with Greg, I guess, is to just say, "Look. We don't. When things get dropped off at warehouses, Greg. Way back when we used to get bills of lading. Right now there are s--, fifteen, or four, twelve, or six, or whatever the numbers of public warehouses. And some stuff gets shipped to retailers, where they pick it up. And some of it we ship ourselves. Most of it gets picked up, but we don't even touch it, cuz we're just the intermediaries. Let's just go somewhere else for a minute, not where we are today. Let's suppose there was somebody out there writing paper. And we were buying it.

White: Mm-hm.

Petters: Just pretend, for a minute, you're like a guy that I just talked to overseas two hours ago. I've been looking for every solution in the world and I call up Camille. And I, I run into this guy in Palm Beach and I call him back, and he tells me go home. We got an insurance guy who was buying policies, and buying. He would keep buying up insurance companies. And he started small and he started small. Then he found a whole buncha policies. And one of his portfolios, the eight hundred million dollars worth, that weren't, policies weren't paying. And it was really sloppily run. And he bought it from ah I don't even know what kinda policies these are. Ya know, automobile or life insur--, and I think they're life insurance, but anyway. Where the people that sold 'em the life insurance, an eight hundred million dollar portfolio. About a third of it was only worth, was only worth what it, what he thought he paid for it. Cuz a third of the. Two-thirds of the policies were bogus or weren't paying or expired or whatever. And then he bought, to make

matters worse, bought another 1.6 billion dollars worth of other three different insurance deals, to make a long story, story short, he has a three hundred million dollar portfolio, eight hundred million dollar portfolio and a billion six portfolio, which means he's got 2.7 billion dollars worth of insurance policies. Okay? At face value. Borrowed money from a hedge fund called Servis. I don't know if ya ever heard of 'em.

White: No.

Coleman: I haven't.

Petters: Servis is really big and they bought Hillco and stuff. But anyway. Servis loans the guy seventy cents on the dollar on all this. Divided by policies. He puts in thirty cents, they give him seventy cents. A year and a half went by, the guy finds out. First of all, he didn't do his homework on these. Secondly, when he bought all those policies people made repret-- , representations that, ya know they were good or anything. Oh then, anyway, then to make matters worse, ya know what he does? He goes up and buys up two more big funds to cover his losses. The funds that he buys are bullshit but he also has a real estate portfolio of about a hundred commercial buildings. That commercial buildings come up to total, about three years ago, the guy tells me, they were worth almost three and a half billion dollars. This year they're worth like a billion, cuz everything's down. And anyway. They've wrapped up all of those insurance policies that, uh, everyone thinks are worth 2.7 billion, they're only worth, I think the most, three hundred and twenty-five million dollars. Because all of these people didn't pay. All these people didn't pay. Nobody audited it. Nobody watched it. The hedge fund got it. And, the hedge fund was just as much at fault. And this guy this guy negotiates, or maybe I told ya I met this guy. But this guy

White: Yeah, you said you met...

Petters: (UI)

White: ...the guy

Petters: (UI)

White: ...who's a

Petters: (UI)

White: ...(UI) negotiator. Yeah.

Petters: ...or PR, big, ya know pensions and stuff that ah, that invest in hedge funds, so he was tellin' me the story. But, the guy ends up going into his real estate portfolio and finds a lender who says "We'll give ya five hundred million dollars against your real estate." And his real estate, he thinks, is worth three billion. He gets five hundred million though. And he knows his insurance policies are worth no more than three hundred and some million dollars. So he's got, what? On his balance sheet 2.7 billion and like close to three billion in insurance policies that is that's his hedge fund thinks it's worth. He's got no cash flow to speak of. And he's got an insurance portfolio that's tippin' upside down because of vacancies, and so he goes and takes his insurance portfolio and quickly gets some leases signed and quickly gets some things done that cracked the value up from three hundred million to a billion. Gets himself about seven hundred million dollars against the insurance. Takes the seven hundred million and uses it to pay off or make a deal with the hedge funds, I mean, with Servis. Servis comes in and says "Wait a minute. We thought this was worth 2.7 billion." You know what, we all thought it was worth 2.7 billion. But we ended up buyin' and takin' a poke and we screwed it up, and the guy said, "If ya want, ya know, and you can charge me for whatever and this and that, we didn't do our homework. And we grew big and we were over in Connecticut and we were in Massachusetts and we were down in Florida and we've been in in California and all these states where we bought up all these life insurance policy deals. And the moral to the story I'm giving to you is what the guy who ended up making the deal was, one, with the hedge fund, and two, with somebody else to borrow money against his hard assets. Now, the hard asset money was the tricky money. The guy didn't make reps and when you make the reps what they call reps and warranties, do you both know what that means? Rep and warranties

White: Yeah.

Petters: ...when something is the way it is.

White: Yeah.

Petters: It's worth what it is, or to the best of your knowledge. And that's what people get sued on a lot is reps and warranties in contracts. You represent ya know a hotel is built and done, and they come out to find the site and in fact it's only a buncha bricks and lumber there. And you rep made a bad rep and war--, ya know, warranty that were done. You'll take for. And you, you rep and warranty, you got so many receivables, ya don't have 'em. So I don't wanna make a rep and warranty to a bank or to a to a, um ah TPG, or Carlisle, or a um, a bank in the (UI), or a hedge fund. Or, any one of these big private equity firms, which they much rather than the banks. Cuz they're not regulated, and they have all the money now anyway. But, if I could go to one of them and, sayin', "Ya know, we've been in this business for twenty years as a, and we know we've been in it for Geez, we've got three, two and a half billion dollars in paper. I wanna wrap this stuff up, for disclosure means, but I can't disclose what the stuff is. I can't have you call anybody. So what I'm gonna do is give you some other collateral, but I need four to five hundred million dollars. And I'll give ya every--, everything that I have for that four to five hundred million." And now we go make a deal. Now we go make a deal, right?

White: No.

Petters: Here's Frank Vennes' calling. These guys will not quit, do they?

White: Nuh uh.

Petters: Anyway. So you now go make a deal with whatever money we can get. To say all right. Guess what? We, this is all we have. And here's what we're gonna do. We'll pay you guys a little money for a little bit and then, you either work with us or you tank. Because, guess what happens? We got a bunch of badass paper. Ya know, we got a lot of bad paper and the bad paper we got, right, wrong or indifferent. Now he calls here. So get Frank?

White: Yeah. We go--, I get the story and I'll, and I got an idea what to say to Greg. Okay?

Petters: Okay, so that's not what we'll say to him right now.

White: No, I know.

Petters: Okay. Okay, good, but. Ah, Frank can't get voicemail, I'll have to call him back. I'm sure he's not in the office now. But anyway. Ah which i--, the reason I told ya that story is that's kinda where I'm going on my exit strategy.

White: Yeah.

Petters: And I want you both to be thinking about it because there's a lot that can go wrong on the way there.

White: Yeah.

Coleman: Right.

Petters: And I think one of the things is, when you're thinking of five things the lee, the lesser of five evils. Knowing all five are bad, we gotta try to, which ones strategically will get us in the worst, you know, which, the reason I push back on letters from retailers is...

White: Yeah, cuz they can call and they're bogus, and that puts us making reps and warrants that are bad.

Petters: Yeah, and it's easiest, it's the easiest one to say here, we validate it. But it's the easiest one probably to blow up.

White: Yeah.

Petters: Um, and the fastest one to blow up. So, we've got them in there ready, and ya know, Bob, I asked you to write that one, and then the other one we just did, because Greg asked, and, and, and, and, whether I asked you to do that is immaterial. Fact is he has two, and, and, ah I just wanna make sure, you know, I think Palm Beach has two, don't they?

White: Yeah.

Petters: I don't know.

White: Those are

Petters: If they do or not. But

White: They've written four letters

Petters: (UI)

White: ...and that's it.

Petters: (UI) I have to keep (UI). But

White: Yeah.

Petters: None of us can remember. Um. And, to get us out we're gonna have to get tough. And we get tough, it's hard to get tough when ya don't have anybody to get tough with. So. Ya know. If we could get, if we could get, Marlon, for example, is owed two hundred and fifty-seven million dollars. But, if I could get thirty million to give Marlon, through Fortress, and say, that would make his fund current. And say give us another ninety-day extension. And, by the way, just kinda playing with math. And then at some point you gotta come in and, fifty cents on the dollar. Here's thirty/forty cents on the dollar, this is all we can do. Lehmann Brothers went broke. Whatever fuckin' reason, we can take some of this. See, what if we could take some of this stuff and put it into something else that fails.

White: Yeah.

Coleman: Right.

Petters: In other words, what if I gave, we gave all of our paper to something else that failed.

White: Yeah. I agree.

Petters: Ya know what I mean? We're broke and we're sorry. Everything went with it, and they'll go, "Wait a minute, you got our stuff pledged to it." Well, it got pulled under because I personally guaranteed, and Or whatever the hell it is, I mean, I don't give a shit if I have to take a bankruptcy. Anything that we would show, but ya know, it's a better decision, thinking together. Together, and even when we're apart. What I'm trying to

White: Yuh.

Petters: ...do, in this Value Vision and Circuit City deal. And

Deanna, did you get an invite?

Coleman: I did.

Petters: Did they call, did they set it up? Cuz my e-mail doesn't work.

Coleman: No, I just, I just got it from DeAnne, it's four o'clock today.

Petters: Okay, good.

White: Now that's

Petters: When we

White: Tom.

Petters: ...call to kinda go over the whole review and take notes. And then tomorrow there's gonna be, the people that are on from Atlanta, and the people Camille and, and Kevin and stuff, they're gonna write up the debt. And then they're gonna go through it again tomorrow. And then we're gonna hit the ground running Monday, Tuesday, and Wednesday.

Coleman: What time is the conference call tomorrow, do we know yet?

Petters: No, we're gonna just decide after the call today.

Coleman: Perfect.

Petters: But b--, Bob, you can listen on that, too, ya know?

White: Yeah. To-

Petters: What?

White: Tom? The reason that I, the reason I wanted to buy Kodak was they had two billion in cash, and, I thought we could wrap everything in it and bury it somehow.

Petters: Oh, hey, I, I, ah, ah, ah, and ya know what, I thought you wanted to do it for Zink, but I, I, I like that idea. And we should still look at it, I don't know what they got now.

White: Well. They've still got a bunch of cash. See, but, the only reason I put, and I, ya know. Zink made a good, viable story out of it. That's why.

Petters: Yeah yeah yeah yeah, I've never

White: And

Petters: I never connected the other part with PCI, I don't know why.

White: Well where...

Petters: ...it was, look.

White: Where the fuck were ya.

Petters: Do ya know what I mean? I think it's a really good idea.

White: Well there was...

Petters: I mean

White: There's two billion in cash.

Petters: Ya know what I'm sayin'?

White: ...and I wanted to

Petters: (UI) company that acquired it and turns it into Petters Acceptance. And all of a sudden

White: I just, yeah, I just wanted everything to get lost.

Petters: it went broke or this part I mean we've just got to get it the fuck out of office.

White: I know.

Petters: We got to (UI) buy a pig in a poke and it's us buying the pig in a poke.

White: I know.

Petters: So, so to speak, you know.

White: I know. That's why that and see Kodak was the big

thing, nobody knows if it's any good or not and it fails or doesn't fail.

Petters: Well, guess what? I'm going to do this same thing just to get us 150 million dollars that we can get. I'm trying to charge a fee for putting this together to the banks.

White: Well.

Petters: Part we have to successfully put it together, part we would have ownership but I don't want to own any more fucking companies. Ya know?

White: I, I

Petters: We're gonna go in and steal Fingerhut back. Kay? We're gonna get it back. Ted Deikel's gonna be on the board and we gotta plan. You know, and I'll show you guys. We're gonna buy cheap or they're going to buy us out for a lot. One of the two. And then on UBid, it's a shitty company. I don't care what anybody tells me. I don't believe in it anymore. I, I, I'm tired...

Coleman: I agree, Tom, yeah.

Petters: You know what I mean? It's just like one mishap after another and I just don't I mean I can't put my finger on it but I just don't. It's like forget it.

White: Yeah.

Petters: So when I buy it and move it under the managing in Minnesota. Tell everybody we wanna shut down. If we shut down the headquarters of Circuit City, save 24 billion dollars, I mean 24, no 200, I can't remember what it is. 24 million a year?

White: I don't know.

Petters: Gotta be more than that. I can't remember whether it's 24 million or

White: Well, anyway. But.

Petters: Anyway shut that down move it to Minneapolis we have Value Vision TV with 72,000 homes. Why doesn't Value Vision work today? Because the cost is \$3 a home to get

in to the homes, change in contract, break it and go to Dish and get them to go down to \$1.50 and the reason we can't do it right now is because GE and NBC own it. A new owner changing control allows somebody to come in and do that. We can buy it with their own money. They have 72 million in the bank. (UI) virtually nothing. There's a television station we can sell in Boston for 35 million and when we bought Circuit City with Carlisle's money he bought it for 400 million to get control of the company, sell off all stores in Canada to Julian Day the guy um that, that used to be work with Potts, matter of fact, ran K-Mart and did the liquidation, ran a bunch of these companies and he's got Radio Shack wanting to buy it back for a 175 to 200 million from Circuit. Now you got half your 200 million, 400 million purchase price back. Then you sell the stores to Gomay over in China. They want to buy them but they want to buy them after there's an 11. So you do a Chapter 11, you sell the store to Gomay for about 200 million and you now got all your money back, you bought it for free and they've got cash in the bank and they've got available credit of 500 million. They also got a valid inventory and so on and so on and so on. There's a lot of things that have, that have changed since these numbers I'm telling you are gonna be off on this call, so we'll be updating everything but the one thing is I can tell you is that before the big problem with all these 400 retail stores they're paying rent on that are costing them a fortune every year cuz they're empty stores or bad stores now you take a Chapter 11 and say goodbye. And then you got a whole bunch of going out of business sales. Put Stuart Cohen in there to do the going out of business sales and run that and put Mike London and (UI) and those guys from Best Buy, they work for Gomay and they run the retail operation and then you take Phil Schoonover from Circuit City and bring him in to Minnesota. He used to be at Best Buy and bring in new management at Value Vision. Bring Stuart Rumanesko. back. No, I'm just kidding.

Coleman: Yeah, there you go.

Petters: Actually Stuart would probably be a helpful consultant.

Coleman: I like Stuart.

White: I like him. That isn't the point. Hey, Tom.

Petters: What?

White: All of that, there's a lot of moving parts and there's a whole bunch of stuff that has to happen, okay.

Petters: Yeah, that's why I'm organizing too many (UI) but yeah.

White: But listen, listen to me just a second. Kodak has 2 billion in cash. There aren't a lot of moving parts and ah shareholders are all big funds that would give anything to get the hell out.

Petters: Well listen, Bob,

White: So.

Petters: I hate to say this but we have to do them both. We have a big problem. So my point was, we have to get a way to get ourselves 100 million dollars to shut these people up for a little bit. Okay?

Coleman: Right.

Petters: A month, or two, a skating room and Fortress is part of the shut up. (UI) offers in and Fortress is part of the deal.

White: I understand that. But all right, I'm gonna.

Petters: You know what I'm saying.

White: I'm going to try to revitalize the interest in Kodak but all I want to do is bury everything and take their 2 billion in cash. That's all I want to do.

Petters: I'll tell you what if that's what, I mean. Here's, Bob, here's where we could make it sometime. When you said that, see, if you look at it and tell me the plan I'll get the money and get it executed because I'm not sure exactly how to do that. You're smart enough to figure it out. I know that you have enough assets and you cut it down it can be a long long road. Look at, look at what Fingerhut's worth a million bucks.

White: I. I understand that. But I'm just trying to find a way to save our ass and I don't care.

Petters: So, so why would, here's the question. We have to also

to reinvent what Petters Petters Company is and we got to get a couple of deals guys. You gotta get Tom or Jim Wehmhoff and some other people who say what is it you're buying um that, what is Kodak buying do they buy (UI) deals from Petters maybe but we got some good stuff and bad stuff.

White: Yeah, but I mean that's. But all that I know is that if we controlled it and it was, there was 2 billion in cash and we got a great story and a bunch of people are saying it's going to go broke anyway. So, I mean there's a great.

Petters: I know, I agree, I agree.

White: And, and, you know what?

Petters: But you don't want. The problem is you don't want these purchase orders in a bankruptcy so we'd have to buy primary notes that are tied to collateral.

White: I understand that.

Petters: We tried to overvalue Polaroid or overvalue Zink and we get out.

White: I understand that. But

Petters: Right.

White: Yeah. And see.

Petters: There are notes inside we make a deal with the hedge funds to pay them off at a discount and say Polaroid it could be worth that's why I'm trying to get Polaroid and Girard to buy for 1.4 ah billion so it's worth 3 billion so I can say okay here, now, somebody come in and fork lift somebody come here and buy it. We sucked up Polaroid for a predetermined valuation of 3 billion or get a little discount and the cash goes back to us and we pay off the hedges. And we're out.

White: I get it. I understand.

Petters: Here's Frank again.

White: All right.

Petters: I gotta get this, okay.

Coleman: Okay.

White: Goodbye.

Petters: Okay, I'll talk to you in a while.

Coleman: Okay, well I'll be on a 4:00 call.

Petters: Okay, thanks.

Coleman: Bye.

Petters: Bye bye.

White: Buying up Kodak (UI).

Coleman: I don't know (IU) Kodak for.

White: It's still fucking 2 billion cash, I mean.

Coleman: That's not going to tell you on the internet, will it?

White: Yeah, it's a public corporation and tell us what they got in cash.

Coleman: Oh (IU).

White: I mean, that's, Jesus he acts like he didn't understand it.

Coleman: He's stuck in his mood swings.

White: It was like, you know, I'm saying to him a lot of people think it's going to fail. We merged in with Zink and we have this big story about how it can succeed and it gives, in all of the shareholders want the hell out.

Coleman: Right.

White: Trade in their stock for this and merge everything together and it's, there's 400 companies and absolutely a huge mess and we bury everything with this.

Coleman: He didn't tell me that.

White: And Kodak goes bank bank, goes out of business.

Coleman: Right.

White: You know, everybody thinks it's going to go out of business.

Coleman: And it's legit, it's fine.

White: Yeah, what happened to the cash? Well it got used, got (IU) Now we tried to make it work.

Coleman: I'm out a couple more houses. I'm kidding.

White: I know, but I'm just saying that it was there to be had.

Coleman: Exactly.

White: You know, and I and everybody was saying they'll do it.

Coleman: Right.

White: And Tom says gets Camille and then Camille says it might not be a good value to buy it.

Coleman: No, I know. Camille (IU).

White: I mean.

Coleman: Tom doesn't understand it.

White: She doesn't know what's going on.

Coleman: Yeah

White: I, it's like, set up to do, Henry's excited about doing it. Because he's into motion pictures and loves motion pictures and the one part of Kodak that's worth something is the movie picture business and you spin that off and give that to Fortress. We take the cash and bury everything together.

Coleman: Um hum.

White: And make it a conglomerate fricking mess that nobody can figure out what's going on and we hide the paper. And if all of those fail, we tried really hard. And it's equivalent to selling Zink for 2 billion dollars.

Coleman: Right.

White: All right? Maybe then you spin Zink off, give it whatever. I don't care.

Coleman: No, I agree. I understand what you're saying.

White: I don't give a rat's ass. You know, wouldn't think (UI).

Coleman: Oh (UI) by far.

White: Okay that's all, you know.

Coleman: I agree.

White: It drives me fucking crazy that that. I had it sitting there to do and I was on the call to Fortress and then, and then we're sitting there ready and he says Oh, I'm going, and all of a sudden Camille's on the call and she's gonna do a valuation of Kodak and she tells Fortress I don't think it's worth it, the deal. You know, it's like, what did you do?

Coleman: Right.

White: You know.

Coleman: No. I understand. I agree. Oh, all right. Well have a great weekend, Bob.

White: You, too.