

From: Petters, Tom
Sent: Tue, 12 Aug 2008 15:04:41 GMT
To: 'pseidenwar@acorncap.com'; Baer, David
CC: 'mquan@acorncap.com'; Coleman, Deanna
BCC: 'jkoneck@fredlaw.com'
Subject: Re: pac; pal

Paul, all are very sensitive to anyone entering these warehouses and tracking sources of goods. Over the years retailers have made it very clear..these warehouses are not available for inspection other than bu insurance companies. (I maybe able to have you speak to a company or agent to verify this) This I under Strict! Strict confidentiality with retailers to protect sourcing, We may (I say maybe able to use inspection process which happen often, not sure if we will get them to fwd to you, but possibly speak to you? this would provide some optics via insurance inspections. Source of Goods is reason behind this. Same reason Po's and invoices are to be held strictly confidential. This is why Deanna has not complied in the past.

We are working to replace take out on Trademark and all assets. Rigorously and on 6.4 should be shortly. We will give more definitive answers within hours/days!! Thank you for working on this with us.

Can discuss live tomorrow morning.

Thanks

Tom Petters

Ps David is tide up in meeting so thought I would try to give some help on this.

----- Original Message -----

From: Paul Seidenwar <pseidenwar@acorncap.com>
To: Baer, David
Cc: mquan@acorncap.com <mquan@acorncap.com>; Petters, Tom
Sent: Tue Aug 12 09:46:59 2008
Subject: RE: pac; pal

David:
signed the confidentiality early yesterday.
To date, they have not responded to my emails or forwarded a term sheet, so I wouldn't define anything as close.
In the interim, have you been able to expedite the information and locations of the inventory pledged to us?

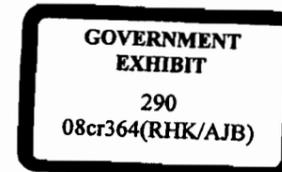
From: Baer, David [<mailto:David.Baer@pettersgroup.com>]
Sent: Tuesday, August 12, 2008 10:43 AM
To: Paul Seidenwar
Cc: mquan@acorncap.com; Petters, Tom
Subject: RE: pac; pal

Paul,

We are working very hard and are very close to a couple different take-out options. I also understand you are close to a term sheet on a take-out of our debt. Finally, we are working on the \$6.2M payment. All fronts are moving forward and we are close. I'll let you know how things are going as we proceed.

David

67659, 08/12/2008 09:04:41 AM (GMT -06:00)



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From: Paul Seidenwar [mailto:pseidenwar@acorncap.com]
Sent: Tuesday, August 12, 2008 8:55 AM
To: Baer, David
Cc: mquan@acorncap.com; Petters, Tom
Subject: RE: pac; pal

David; Tom:
any updates?

From: Baer, David [mailto:David.Baer@pettersgroup.com]
Sent: Monday, August 11, 2008 4:21 PM
To: Paul Seidenwar
Cc: mquan@acorncap.com; Petters, Tom
Subject: RE: pac; pal

Tom and the entire team are working on this. It is our top priority. Hope to have more news later tonight or in the morning.

From: Paul Seidenwar [mailto:pseidenwar@acorncap.com]
Sent: Monday, August 11, 2008 2:11 PM
To: Baer, David
Cc: mquan@acorncap.com
Subject: pac; pal

David:
any updates as to the delinquent payments?

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