

Hey Paul,

Tom Petters, I'm on an airplane heading back to Minneapolis from Texas. Deanna said you had called, you had a question. I am, I've got everything lined up, paid off.

I was at Cosco on Friday, everything's 100% perfect, Bob Pugmeier was out for about ten days had a surgery a operation, really nothing to do with us other than slow down a couple of payments, but irregardless of that, Simon Ruth you know we were waiting on that letter, Jack got it to us, and I got it to Simon Ruth, Simon Ruth's getting it to Dick Bacada and I told my investors that I would have that letter done I have some of the money ready to send right now which I'm gonna do in the next day or so. But before anymore of these become, see we always use to pay them before, the reason I pay them ahead of time, was Costco would always pay on the Petters' one this late so I'll talk to you about it when I get back. Call me in the car let me explain to you what the schedule is and I'll *take care* of getting these paid off. OK.

Call me directly at [REDACTED] if you would please. Bye

Hey Paul,

Tom Petters, how are you? Things are going very well on the redtag side of things. We'll have some major things to tell you first part of next week and there will be a lot of business going in the line next week and the week after. We're going to be asking you for that increase and on Petters. Thanks, I got the Federal Express. I'm 3 weeks behind and wanted to get them out of the dump but I'll try to get it all paid up by the 27th. We still haven't gotten Costco money, and like I said, I always use to pay them early understand that, so Mr. S, no, Mr. what's his name in Connecticut called. We always pay them early because they always paid us late. So, at any rate, I'm getting this letter off with my agreements to the four guys that are doing the funding and one of them already have some money here in the next day or two we'll start wiring you some money and get it paid off. Ok and look to build the redtag deal. Just wanted to leave you an update. Talk to you later.

Hey Paul,

It's Tom Petters. I'm leaving the house, it's 8:50 am, I will be in my car [REDACTED] if you get this, otherwise I'll be in a meeting at the office between 9 and 9:30. You'll have your Federal Express this morning. Bob White's gonna be calling me to tell me what checks to cash today, what checks to cash tomorrow and what to cash Friday. I want a, well I guess I already have a release saying that Petters is paid off as of Friday. I'll give you some other details on the chain of events yesterday that I'm not happy about, but be as it may, it is what it is. And as I told you, at the end of the day I will have a day in court, not a day in court, but a day with, I don't know who at GE. But, I said it was okay to do an AR Verification, I didn't say it was okay to do some of the things that we did and I guess, the bottom line is what's happened, happened. My relationship with Cosco is damaged, not irreparably, but damaged in. I wish that you and Jack would have called me back yesterday and just said, "hey we're not going to do it your way". I left a lot of voicemails for both of you, and Deanna did. Jack called for a fax number and was going to call back. In the meantime I find out you've been on the phone with Cosco. It would have been a much better way to call Bob and Bob call the guy there rather than do it the way we did it. Cause, you guys don't understand my relationship with Cosco and I don't think you ever will and I don't believe we should finance any more Cosco deals even through redtag, I just don't. But, call me when you get in, we'll talk about it. At any rate, the Petters money is coming in. We'll tell you what checks to cash today, what to cash tomorrow and what to cash Friday and it'll be over with. Period. No ifs, no ands, no buts, no maybes. The money is coming in and you guy's don't need to call my bank every five minutes or anything, the checks will clear. I don't want that aggravation. So call me up. Thanks

Hey Paul,

Tom Petters. I don't know that we had that much more to say to each other. I think we, but if you feel like it, give me a call back. I'm gonna be in this morning and we're gonna start dribbling money out and the flow will get much heavier in the next week, 10 days. I guess I gotta get documents down on the other side. So, anyway, we're all set.

I got the message at Petters, you know. Like I said, I just want to talk to you. Don't even repeat the conversation I had with Robin - would you? It would make my life more complicated and I enjoy working with you and just 'sume talk to you. I said that a number of times. Don't get me wrong, she's done a good job with promoting the Company and all that, but I appreciate your condor with me and when you shoot it straight to me, I'll shoot it straight to you. We'll both look like better guys. I just don't want to hear all the other, you know that goes with it, okay?

I'll give you some good news as soon as I get it. Other than that, feel free to call me back if you want this morning, because I'm gonna be out this afternoon. Bye.

Hey Paul,

Tom Petters. Listen, I called you just to tell you something. Thanks for your straight shooting with me and thank you for your undaunting support and all the good things coming. I know that you know, on the street people say things about companies and talk about people and things, unsureness and scaring people or whatever. But I tell you what, I'll make you look like a hero, I promise you on the Petters situation and the redtag situation. Thanks for believing in me, thanks for watching out for us and I'll do the same for you and I just wanted to tell you that. And I had a talk with Robin and Leanne this morning, they were pretty complimentary of what you do for me and what the Company, and so on, and I know that. I already knew that before I talked to them.

So I just called to say thank you and we'll get Cosco paid you with Cosco checks. A (____) maybe have paid you. Remember I got the term letter about a week, 10 days ago and I got time enroute to finally get the agreement done with my lenders. So those checks we sent you, you can start cashing pretty quick, pretty quick they say, it's gonna be Monday so hopefully tomorrow you can cash one or two of them. And then I will for sure, for sure have Cosco, they are already starting to cut checks on that list and then I will get all of those if they're retired or not. You'll have copies of every single solitary check from Cosco cause I want you to be able to push it in somebody's face when its paid off. I understand you're going to be in Minnesota the end of next week and we're gonna have lunch. I look forward to it, all right. Take care.

If you have any questions, give me a call. I'll be leaving for San Francisco in a couple of hours and I think Deanna and Jack are finishing up that letter. They had to put some invoice numbers on it. I will have Pugmeier send it and fax it from Cosco so there's no question directly to you. But I want to tell them what it's all about. I already kind of told them last week that I need to get everything paid off. So I even discounted it a little bit to Cosco to precipitate getting all of it paid up in the next two and a half weeks, so. I told that to Jack yesterday. But I just wanted to call and say thank you to you. Okay, thanks a lot. Bye

Paul, this is Tom. I know you're not in yet I just wanted to leave you another message because I'm going into a meeting. Listen, the Irish and German in me come out and you know me by now, I tell you what, whatever happens, happens. I know, you know yesterday, whatever happened, happened, but I just would've appreciated the heads-up, that's what I was saying to you. GE wants to do transactions with Cosco through redtagbiz, that's fine if they don't want to, I want to know and we're going to continue, I'm going to put a couple of transactions in with them and if you guys have concerns about getting paid. I told you this a while ago and I said our narrow margin deals get paid faster our ____ margin deals get paid slower. As far as me sending you copies of all the checks, believe me, if I f--- am going to. I won't miss the opportunity, I promise you. But I don't want Cosco f----- with anymore. I had got taken out to the woodshed like you have no f----- idea last night. That's why if you hear it in my voice and I don't care from a lenders' perspective. I'm making good on what I promised. I don't care about what you guys understand or don't understand about Cosco. I care about you as a person cause I gave you my word, okay. I don't care about the people in CT right now, I care about the survival of my Company and I will do whatever I have to do to protect that and I want you to know that I'll still stand good on everything I told you including the f----- AR Balance, but I tell you what, you'll see that all the checks have been sent to me by that time and that'll be by the end of the week. But I want you to know I'm not mad at you, I'm upset about the situation and when I tell you that my number one fear is losing Cosco, it always is Paul. But I'm too dependent on them so this has made me realize that. Bye

Hello Jack, this is Tom Petters. Deanna called you, I called you before and I wanted to call back and I know you're busy. Two things, we have checks going in to our account tomorrow but funds aren't going to clear tomorrow. So I want that check for sure the checks you have remaining deposited after three, if that means depositing them Monday morning, that's what it's gotta be. I mean I don't know, Rich said you guys do it before one or something and that won't work cause the funds will clear, my bank will clear the funds on close of business Monday. So deposit them whatever way, but let's just get it over with tomorrow. I mean most companies can deposit after 3, I don't know if you can or what, but that's what I had requested that it be done after 3 after the banking day tomorrow.

Will you call and let me know one way or the other here, cause it's important to me. I don't want any f---ups, okay? Thanks, bye. Sorry about my florant language. Goodbye. Have a good one.

My cell is [REDACTED] if you could call me. Thanks

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Hey Paul, Tom. I'm out of the parking garage. Three things, I'm wiring you \$3.5MM for sure and then I'm trying to get the other ten out yet today and possibilities of others and I'll tell you that, but I will have the other ten wired today or tomorrow. I'm sorry, I'll have it wired in to us. Here's what I want to do. I want to get this over with and I know. Here's what I like to do. I'd like to just get the \$3.5MM in to you and if I can't get the wire out, you can cash the other \$15MM in checks and that's what I'd like to do, just to have it over with. I don't want to antagonize GE, my people or at this point Cosco has issued all the checks to us and they are in the mail. The checks that I told you I wish I would've gotten in time, but I didn't and I'd like to have the Petter's capital thing cleared up. Obviously when the checks clear, you guys in your mind it will be cleared up, in my mind I'm not going to tell you to cash any checks at this point that aren't going to clear. But I'd like to get them cashed. I'll wire you the \$3.5MM and if I can get the other ten out fine, I'll call Jack and stay in touch with him. But otherwise you can go ahead and cash the \$15MM in checks this afternoon, after 3 if we can and then, if that sounds fine. ON the second note, I would like to have yet if, have you that call with Randy today, I'd like to, on the dockmartins on the L/C. I'd like to suggest that you get Rich on the call too. I'm going to tell Randy that. I'd like Rich on the call with you and with Randy because I think that'll be helpful in understanding it. Secondly I called Cosco last night and I've asked for a little extra time. I don't have to have it done, I was supposed to have it done this wee, but I can have it done Monday or Tuesday which will leave a little breathing room like you and I talked about which I think is a good idea, but I thought it provision to outline the transaction so you'll understand and they can work with Frank Pelle on the event that we can do it I can go ahead and do it next week. Does that sound alright? Let me know. I am down, I am downtown and I'm going to be in this thing for a bit and I'm gonna try and get out of here early cause it's gonna last till noon, but. And, oh, the last thing I'd like to do, I'd like to have that Eric kid from Cosco just call and get an A/R balance from you, what they're owed on redtag today. Okay? In other words, so everybody's numbers jive.

11/16/00

Paul

This is Tom, you know who, I don't have to say the last name anymore. Listen, yes, Deanna's right, I'm gonna drive her bank crazy. So, let me just tell you what we're doing. The \$3MM dollars we're wiring you this morning that I told you we were wiring yesterday and we said three to ten we know for sure, for sure by Monday all the funds will be have cleared to have paid you off and I don't want to wait to wire the money and I'll tell you why. I want you to this afternoon have Jack cash which checks, Deanna what's our balance after the \$3MM?

Deanna: After the \$3MM it's going to be right around, oh shoot, where did it go, right around the \$13,500,000, yeah \$13,500,000 right around there. So you can cash the two \$5MM checks and the one \$3,500,000 check and then if you could send back the other \$5MM check.

And Paul, I just want, let me tell you what I don't want its like go through all the other stuff we've gone through. We don't want checks to bounce you know, you want wires, but let me tell you what. I can press my relationship with the bank to a certain extent, I know that I can press it. I don't, I have Jackson Securities, a Company that's doing \$20MM equity in our offices all day Monday and all day Tuesday. I don't want to have to worry about this again. I'm going down to the bank and signing a note that will back up some of this. I won't go into all the details just in case the funds weren't cleared on Monday morning, but just cash those other checks so I have Petters Capital out of my way today, please. Call me and tell me if you cashed them. We'll wire you the \$3MM. Paul if more money comes available today, Deanna is just going to wire it and then we'll tell you. They wouldn't have bounced if they cam through today. I would have pressed the bank and they would have paid it. I don't like pressing the, Deanna doesn't like me pressing them and she's right. But I don't want to talk about Petters' Capital anymore after this weekend. I've got too much business, we've got \$26MM worth of deals sitting on the table we could do with you on redtag right now and they can't get done because of Petters and,

Deanna: Tom that other \$7MM is supposed to be in today also, but I don't know what time it's supposed to be in.

I know that, I told them that yesterday, and I'm at my house and calling you. Paul, I hear you're not going to be available until 2:00. Will you please call Deanna or myself, [REDACTED] is her number. My cell is [REDACTED] I got the guys Chairman

of Hyundai or ex-Chairman of Hyundai who's on our board flying in here today and I'm going to be with them, but I want to talk to you and I want this to be over with.

I'm going to leave Jack the same message that I left you right now, okay? Please call us back. Thanks. Bye

11/16/00-2

Paul

This is Tom Petters, how are you? It's Monday morning. Listen, I should have just told you to cash those checks. Not fifteen minutes after I talked to you the bank called me and said we're gonna clear the funds Monday, but it won't be 'till late, and I have. Let me tell you what. I have to wire it the way I set it up to wire it because I said everything I'm doing, I'm doing out of Bank Windsor. I would have had the funds coming there originally, except I can get checks cleared faster from Highland, long story. Let me just tell you what. Wiring you the \$3MM, as I told you right away this morning leaves us with a balance of \$13.5MM and I understand people saying you know is he just stalling? Well F---, I'm not stalling and to the terms of the letter of the agreement there's nothing even past due on the old facility. Assuming we just paid it out. I'm way ahead of anything being past due. But, irrespective I don't want, I'll tell you what's going to start becoming an issue and its not your fault it's my fault. Randy and the redtag people are starting to say well, you know what, if we can't do business under redtag, then let's under the GE Capital and if you can its almost over today and that internally adds double pressure to me. But here's what I want you to do and I don't want to have calls with my banks. You let me handle the banks in Minneapolis. Just like too may calls to you, too many calls to my bank does something about that. I've got great relationships with both my banks, actually all three of the banks. But what I want to do today is, this afternoon have you cash the other, whatever's left, cash the checks after the \$3MM. If I can get money wired out by 1:00 from any source at all in addition to the \$3MM, we'll call you otherwise the rest of it this afternoon, cash the rest of the checks I want it to be over with. I will not let them bounce, ok. These wouldn't have bounced if we cashed them Friday. Banks here talk to each other and I will make the Banks comfortable and I'll get the wires back and forth.

They know each other and I just don't want 25 calls in to my bank about will this clear, and that clear. They don't get calls like that hardly ever and I hope you can appreciate that. I can also appreciate where you're at. You appreciate where I'm at we'll be over with this. I want you to cash whatever you haven't gotten wired by 1:00 today. I'll make sure the checks clear. I want Randy to start being able to do business on redtag and if he can't do it, he can't do it. But I want to be able to have GE, in my mind, paid off today. I've got the brokerage firms in here. I've got \$26MM worth of deals not including the \$18MM stacked up waiting to go over to redtag, and I'm sitting here scrambling trying to find them private money you know so we can do them. So, give me a call when you get in this morning, okay.