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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, January 21, 2017 2:49 PM  
**To:** Hosain Rahman  
**Subject:** Re: Final Notes <CONFIDENTIAL SETTLEMENT COMMUNICATION - FOR SETTLEMENT PURPOSES ONLY>

LWyers will talk tomorrow

On Sat, Jan 21, 2017 at 9:41 AM Hosain Rahman [REDACTED]

What's a good time today? </=iv>

On Jan 20, 2017, at 4:30 AM, jeffrey E. <jeevacation@gmail.com> wrote:

i can talk sometime tomorrow! I would like yo= to tell me of ian osbournes role. did he get any commss=on fees, value on my investment. ? CAUTION you are=walking a taut tightrope with me. . suggesting that my witness=s will be of the same mind in a lawsuit. its clear that =lackrock will support my complaint - strongly.

On Tue, Jan 17, 2017 at 5:56 PM= Hosain Rahman [REDACTED] >  
>=span> wrote:

Hi Jeffrey, ♦=A0

Here is some background on the BlackRock and communication that we =ad with the Kuwaitis on it. I got clearance to share it with you. We are f=nalizing the other materials to share with you.

Please tre=t this as a settlement communication.

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Let's discuss=,

Hosain

Begin forwarded message:

From: Hosain Rahman [REDACTED] <mailto:[REDACTED]>

Subject: Final Notes

Date: October 11, 2016 at 2:18:12 AM PDT

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To: "Farouk Bastaki

Cc: "Hussa=n AlHalabi

Farouk,

Attached is the bottomline analysis of the options available to the Company right now. It is a pretty stark difference between the two paths. Ultimately we are asking BlackRock to chose the path that is economically best for them - we are killing ourselves for them to have a better=financial outcome. Our intentions should be aligned...

I've also attached a timeline of our BlackRock relationship. There is a one page summary at the beginning and the full detail behind=it.

Hey are notes in some key areas:<=div>

The Senior Investment Analysts on our deal have been Daniel Daniel and Pa=rick Edelmann. They seem powerless in the situation and do not stand up to=Lisa.

\* No one from BlackRock has visited =awbone in 2016. They have not seen any of the new things we are working on= No demos of the prototypes, nothing.

Possible anticipated points from BlackRock and our responses

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\* Management team- we don't trust Hosain, the Board, his management team, everything he and the team have told us has turned out to not be true, promises are never hit. We have missed targets and it has been =ainful. We are taking great care to make sure we don't repeat the =istakes of the past, there are reasons we missed targets - slow sales in stores, quality issues, product delays. We had a bad product cycle and we haven't been funded to come out of it. Instead of focusing on the business we fight with BR. It's a waste. But to your point it sort of =oesn't matter relative to the economically rational decision going=forward.

\* Wasting money - opex super high put in this much money=three months later they needed more money Again perhaps=we should have cut expenses earlier but we needed to move the ball forward=to where it is today in many areas. We have a smart focused plan going forward where have a very manageable burn rate and are raising 2 years of operating capital. We have never done this in the history of the business.♦=A0

\* Deals aren't real, they create the term sheets and they aren't real, we can't respond until =hey are real. No one will move forward with closing until term sheets are agreed to. This feels like a stall tactic.

\* They threw this Larry/JPM term sheet in front of us, Larry Unrein says he isn't sure =f he will do it or not, we got the feeling that JP Morgan wasn't a sureshot♦=A0- Larry hadn't taken the deal to his investment committee and gotten final approval because he wanted BR to sign off on it before he got the final approval to ensure he didn't have to go back multiple times= If BR shows flexibility and a willingness, Larry will come through and fund. Other investors are also happy to participate.

### Third party feedback

\* Our Skadden lawyer on the re-structuring side is widely considered to be =he top re-structuring lawyer in the country. He will tell you he has never=seen anyone behave as BlackRock has behaved in the dozens of deals he has worked on - no debtor has not even engaged in a dialogue to give feedback on possible solutions.

\* Skadden has also stated repeatedly that the Board since May has done more than any other Board=they have ever seen in exploring every option and finding the best solution for all constituents - we have turned over every possible stone we could =hink of to find a solution.

\* PJT has never seen=a lender behave this way in any situation they have been involved with

\* CODE does not understand what BlackRock is doing and why

Thanks again for your help,  
Hosain

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◆=A0 please note

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JEE

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