

**UNITED STATES BANKRUPTCY COURT  
District of Minnesota**

In re: Pettters Company, Inc.  
Debtor

Case No. 08-45257 (GFK)  
(If known)

**STATEMENT OF FINANCIAL AFFAIRS**

**1. Income from employment or operation of business**

None  State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE	FISCAL YEAR PERIOD
215,495,701.00	Recorded Net Income / (Loss) according to Debtor's records, however such records are deemed unreliable.	Jan - Dec. 2006
55,512,484.00	Recorded Net Income / (Loss) according to Debtor's records, however such records are deemed unreliable.	Jan - Dec 2007
-111,399,056.00	Recorded Net Income / (Loss) according to Debtor's records, however such records are deemed unreliable.	Jan. 1 - Oct. 15, 2008

**2. Income other than from employment or operation of business**

None  State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT	SOURCE	FISCAL YEAR PERIOD
	Debtor's records to not reflect other income during the stated period of time.	

**3. Payments to creditors**

*Complete a. or b., as appropriate, and c.*

None  a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
------------------------------	-------------------	-------------	--------------------

None  b. *Debtor whose debts are not primarily consumer debts*: List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,475. If the debtor is an individual, indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATES OF PAYMENTS/ TRANSFERS	AMOUNT PAID OR VALUE OF TRANSFERS	AMOUNT STILL OWING
------------------------------	------------------------------	-----------------------------------	--------------------

See Exhibit A

None  c. *All debtors*: List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
Deanna Coleman 14420 Carlson Parkway Plymouth, MN 55447 Secretary	August 7, 2008	170,000.00	0.00

#### 4. Suits and administrative proceedings, executions, garnishments and attachments

None  a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Ritchie Special Credit Investments, Ltd., et al. v. Petter,s Thomas J.; Petters Group Worldwide, LLC; Petters Company, Inc. 2008 L 51021	Cause of Action: Breach of Contract, Fraud in the Inducement. Amount due and owing under notes \$223 MM	Circuit Court Cook County, IL	
U.S. v. Petters, Thomas J.; Petters Company, Inc.; and Petters Group Worldwide, LLC 08-CR-0364	Mail fraud, wire fraud, conspiracy, money laundering	US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415	
US v. Petters, Thomas J.; Petters Company, Inc., et al. 08-CV-5348	civil fraud	US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415	
AI Plus Inc. and IOC Distribution Inc. v. Petters Group Worldwide; Petters Company Inc., et al. 08-CV-05456	Cause of Action: Violation of Section 1962(c), 1962(a), and 1962(d) of RICO Act 18 USC Sections 1961-1968; violations of MN Prevention of Consumer Fraud Act MN Stat Section 326F.69; violations of MN Unlawful Trade Practices Act MN Stat Sections 325D.13; violations of MN Deceptive Trade Practices Act MN Stat Sections 325D.44; violations of MN Uniform Securities Act MN Stat Sections 80A.68; fraudulent inducement, conversion, accounting and unjust enrichment	US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415	stayed
Lancelot Investors Fund LP, et al. v. Petters, Thomas J, Thousand Lakes, LLC; Petters Company, Inc.; et al. 08-CV-5399	Cause of Action: Substantive Racketeering Under 18 USC Section 1962(c); Racketeering Conspiracy Under 18 USC Section 1962(d); Breach of Contract; Common Law Fraud; Conspiracy to Commit Fraud; Unjust Enrichment; Conversion	US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415	
Interlachen Harriet Investments Limited v. Petters Group Worldwide, LLC; Petters Company, Inc.; et al. 08-CV-05312	Interlachen Capital default letter addressed to PCI and Petters, Thomas J	US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415	stayed

<p>Domain Assets v. Petters Group Worldwide, LLC and Petters Company, Inc. 08-2649 and 08-2724</p>	<p>Claims concerning a brokerage/finders fee dispute. Plaintiffs' claims dismissed at summary judgement. Petters counterclaim for breach of fiduciary duty was also dismissed at summary judgment. Marshall's firm appeals dismissal of counterclaim to preserve rights in case trial court's order was reversed on appeal</p>	<p>8th Circuit Court of Appeals</p>
<p>Apriven Partners LP, et al. v. Petters Group Worldwide, LLC; Petters Company, Inc. et al. 08-CV-5373</p>	<p>Cause of Action: RICO Act 18 USC Section 1962(c); Breach of Contract; Fraudulent Inducement; Conspiracy; SEC Act of 1934, 15 USC Section 78(j) and 17 CFR Section 240.10(b)-5; MN Uniform Securities Act Section 80A.68; Unjust Enrichment; Conversion; Rescission; Accounting</p>	<p>US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415</p> <p style="text-align: right;">stayed</p>
<p>Mars Hill Media v. Petters Group Worldwide, LLC; Petters Company, Inc., et al. 08-CV-5410</p>	<p>Cause of Action: Violation of Section 1962; 1962(a); and 1962(d); of Rico Act 18 USC Sections 1961-1968; Violations of Mn Prevention of Consumer Fraud Act MN Stat Section 326F.69; Violations of MN Deceptive Trade Practices Act MN Statues Section 325D.44; Violations of MN Uniform Securities Act MN Stat Section 80A.68; Fraudulent Inducement; Conversion; Accounting; Unjust Enrichment</p>	<p>US District Court, MN 600 US Courthouse, 300 S 4th St Minneapolis, MN 55415</p>

None  b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
<p>United States c/o United States Attorney's Office 600 United States Courthouse 300 South Fourth Street Minneapolis, MN 55415</p>	<p>09/24/2008</p>	<p>Assets and records of Debtor.</p>

## 5. Repossessions, foreclosures and returns

None  List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
---	--	---

## 6. Assignments and receiverships

None  a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
---------------------------------	-----------------------	---

None  b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND ADDRESS OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
Doutlas A. Kelley, Receiver Kelley & Wolter, P.A. Centre Village Offices 431 South 7th St. Ste. 2530 Minneapolis, MN 55415	United States District Court, Minnesota; United States v. Petters, et al.; 08-CV-5348	10/06/2008	All assets and records of Debtor.

## 7. Gifts

None  List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
--	--------------------------------------	-----------------	-------------------------------------

-  
Debtor's records to not reflect any gifts during the past one year.  
Debtor reserves the right to amend if additional info is discovered.

## 8. Losses

None  List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
-----------------------------------	--	--------------

## 9. Payments related to debt counseling or bankruptcy

None  List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
---------------------------	---	--

## 10. Other transfers

None  a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
--	------	--

**See Exhibit C attached**  
**Employee bonuses for the prior year are provided and Debtor records for prior years are unavailable.**  
**Bonus was paid in Dec. 2007.**

None  b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR' INTEREST IN PROPERTY
-------------------------------	------------------------	--

### 11. Closed financial accounts

None  List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
---------------------------------	--	------------------------------------

-  
Debtor is unable to find record of accounts closed within the specified time period, and will amend answer if necessary.

### 12. Safe deposit boxes

None  List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
--	---	-------------------------	---------------------------------------

-  
Debtor does not have record of having a safe deipoist box.

### 13. Setoffs

None  List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
------------------------------	----------------	------------------

### 14. Property held for another person

None  List all property owned by another person that the debtor holds or controls.

NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
---------------------------	-----------------------------------	----------------------

### 15. Prior address of debtor

None  If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
---------	-----------	--------------------

---

## 16. Spouses and Former Spouses

None  If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

---

## 17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None  a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

---

None  b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
-----------------------	---------------------------------------	----------------	-------------------

---

None  c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
---------------------------------------	---------------	-----------------------

