

**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
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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
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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
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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
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- 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
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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
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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
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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
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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
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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
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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
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Debtor does not have record of having a safe depository 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
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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
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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
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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
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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
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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
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18. Nature, location and name of business

None a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within the **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the business, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOCIAL SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
Central Americal Holdings, LLC	unknown	4400 Baker Road Minnetonka, MN 55343	Lottery consulting to countries in Central America.	
Edge One, LLC	20-0263579	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
FAC Acquisition, LLC	Unknown	4400 Baker Road Minnetonka, MN55343	Unknown	
MGC Finance, Inc.	41-2010938	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
PAC Funding, LLC	20-1916041	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
PC Funding, LLC	41-2022687	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
Petters VB, LLC	unknown	4400 Baker Road Minnetonka, MN 55343	Unknown	
Petters Warehouse Direct, Inc.	unknown	unknown	Sale of consumer goods	
PL Ltd. Inc.	41-1800333	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
Regal Investors, LLC		4400 Baker Road Minnetonka, MN 55343	Unknown	
SPF Funding, LLC	41-1999068	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	
Thousand Lakes, LLC	75-3083536	4400 Baker Road Minnetonka, MN 55343	Putatative sale of consumer electronics.	

None b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME

ADDRESS

19. Books, records and financial statements

- None a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

DATES SERVICES RENDERED

Deanna Coleman
14420 Carlson Parkway
Plymouth, Mn 55447

James C. Wehmhoff

Sandra Indahl
4400 Baker Road
Minnetonka, MN 55343

2002- present

- None b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

ADDRESS

DATES SERVICES RENDERED

- None c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME

ADDRESS

Douglas A. Kelley, Receiver

Kelley & Wolter, P.A.
Centre Village Offices
431 South 7th Street, Ste. 2530
Minneapolis, MN 55415

Federal Bureau of Investigation

United States Attorney's Office

600 United States Courthouse
300 South Fourth Street
Minneapolis, MN 55415

- None d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS

DATE ISSUED

-
Debtor has no record of such
financial statements being provided
to any other entity.

Lancelot Investment Management
1033 Skokie Blvd, Suite 620
Northbrook, IL 60062

12/01/2007

20. Inventories

- None a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY

INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY
(Specify cost, market or other
basis)

- None b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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21. Current Partners, Officers, Directors and Shareholders

- None a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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- None b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
Thomas J. Petters 655 Bushaway Road Wayzata, MN 55391	Director, Chairman, President & CEO	100%

22. Former partners, officers, directors and shareholders

- None a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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- None b. If the debtor is a corporation, list all officers or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Deanna Coleman 14420 Carlson Parkway Plymouth, MN 55447	Secretary, VP Operations	09/30/2008

23. Withdrawals from a partnership or distributions by a corporation

- None If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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24. Tax Consolidation Group.

- None If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
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25. Pension Funds.

None If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

* * * * *

[If completed on behalf of a partnership or corporation]

I, declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date 12/10/08

Signature Douglas A. Kelley

Douglas A. Kelley, Receiver and Debtor in Possession
Print Name and Title

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

_____ continuation sheets attached

The foregoing information concerning assets held, valuation of those assets, creditors and claims is based upon records available to the Debtor, the accuracy and validity of which is in question. This information is compiled from various sources and represents a good faith estimate. These schedules, statements and other documents may be amended as more information becomes available.

PETTERS COMPANY, INC.
Find Report
July 11 through October 11, 2008

PCI PAYMENTS MADE

Jul 11 - Oct 11, 08

Type	Date	Num	Name	Memo	Account	Amount	Outstanding 10/11/08
Bill Pmt -Check	07/15/2008	9658	200 Water LLC	rent	M & I Bank	-1,680.00	
Bill Pmt -Check	08/01/2008	9679	200 Water LLC	rent	M & I Bank	-1,680.00	1,680.00
Bill Pmt -Check	09/15/2008	9705	200 Water LLC	rent	M & I Bank	-1,680.00	
Bill Pmt -Check	07/15/2008	9672	AMERICAN EXPRESS - CA	372715181171003	M & I Bank	-7,119.86	
Bill Pmt -Check	08/19/2008	9689	AMERICAN EXPRESS - CA	372715181171003	M & I Bank	-23,958.33	
Check	09/09/2008	WIRE	AMERICAN EXPRESS - CA	372715181171003	M & I Bank	-4,826.19	
Bill Pmt -Check	07/15/2008	9673	AT&T Mobility		M & I Bank	-320.26	
Bill Pmt -Check	08/19/2008	9690	AT&T Mobility		M & I Bank	-426.23	1,392.27
Bill Pmt -Check	08/01/2008	9676	DEAN VLAHOS		M & I Bank	-399,000.00	
Bill Pmt -Check	08/29/2008	9699	DEAN VLAHOS		M & I Bank	-399,000.00	13,845,300.00
Bill Pmt -Check	08/07/2008	9688	DEANNA L COLEMAN	LOAN REPAYMENT	M & I Bank	-170,000.00	
Bill Pmt -Check	08/20/2008	9698	Delaware Secretary of State		M & I Bank	-375.00	
Bill Pmt -Check	09/15/2008	9706	DELUXE BUSINESS CHECKS & SOLUTIONS 0220254601		M & I Bank	-101.71	
Bill Pmt -Check	07/15/2008	9659	DS&B, LTD		M & I Bank	-450.00	
Bill Pmt -Check	08/01/2008	9677	EDGE BROOK, INC.		M & I Bank	-40,500.00	
Bill Pmt -Check	08/29/2008	9700	EDGE BROOK, INC.		M & I Bank	-40,500.00	4,105,350.00
Bill Pmt -Check	07/15/2008	9660	EideBailey		M & I Bank	-2,500.00	
Bill Pmt -Check	09/15/2008	9707	EideBailey		M & I Bank	-10,500.00	
Bill Pmt -Check	07/15/2008	9661	FEDERAL EXPRESS	1611-3137-7	M & I Bank	-92.91	
Bill Pmt -Check	08/19/2008	9691	FEDERAL EXPRESS	1611-3137-7	M & I Bank	-51.99	
Bill Pmt -Check	09/15/2008	9708	FEDERAL EXPRESS	1611-3137-7	M & I Bank	-66.77	130.62
Bill Pmt -Check	07/15/2008	9662	FREDRIKSON & BYRON		M & I Bank	-130,322.33	
Bill Pmt -Check	08/19/2008	9692	FREDRIKSON & BYRON		M & I Bank	-22,594.20	
Bill Pmt -Check	09/15/2008	9709	FREDRIKSON & BYRON		M & I Bank	-12,829.86	1,897.60
Bill Pmt -Check	08/01/2008	9680	Home Federal Savings Bank		M & I Bank	-113,750.00	
Bill Pmt -Check	09/02/2008	9703	Home Federal Savings Bank		M & I Bank	-38,750.00	
Bill Pmt -Check	07/15/2008	9663	INDIANAPOLIS LIFE INSURANCE	000100005131	M & I Bank	-24,280.02	45,073.17
Bill Pmt -Check	09/15/2008	9710	Larson Allen, LLP		M & I Bank	-21,715.50	
Bill Pmt -Check	09/15/2008	9711	LPL, LLC		M & I Bank	-44.90	
Bill Pmt -Check	07/15/2008	9664	M & I Bank		M & I Bank	-360.00	
Bill Pmt -Check	08/01/2008	9681	M & I Bank		M & I Bank	-160.00	
Bill Pmt -Check	07/25/2008	9675	Mary L. Jeffries		M & I Bank	-6,023.75	
Bill Pmt -Check	08/01/2008	9678	MICHELLE VLAHOS		M & I Bank	-69,000.00	
Bill Pmt -Check	08/29/2008	9701	MICHELLE VLAHOS		M & I Bank	-69,000.00	2,394,300.00
Bill Pmt -Check	08/01/2008	9682	Neal, Gerber & Eisenberg LLP		M & I Bank	-3,327.75	
Bill Pmt -Check	07/15/2008	9665	Petters Capital, LLC	VOID:	M & I Bank	0.00	
Bill Pmt -Check	07/15/2008	9666	PETTERS GROUP, LLC		M & I Bank	-87,412.14	359,496.47
Bill Pmt -Check	09/15/2008	9712	Premier Corporate Services, Inc.		M & I Bank	-149.25	
Bill Pmt -Check	07/15/2008	9667	Priority Courier Experts		M & I Bank	-11.99	
Bill Pmt -Check	08/05/2008	9687	Robert D. White		M & I Bank	-32,000.00	
Bill Pmt -Check	09/04/2008	9704	Robert D. White		M & I Bank	-32,000.00	
Bill Pmt -Check	07/15/2008	9671	Secretary of State		M & I Bank	-100.00	

PETTERS COMPANY, INC.
Find Report
July 11 through October 11, 2008

11:05 AM
11/07/08
Accrual Basis

Type	Date	Num	Name	Memo	Account	Amount	Outstanding 10/11/08
Bill Pmt -Check	08/20/2008	9697	Secretary of State		M & I Bank	-100.00	
Bill Pmt -Check	08/01/2008	9683	Signature Bank		M & I Bank	-64,458.33	
Bill Pmt -Check	09/02/2008	9702	Signature Bank		M & I Bank	-24,791.67	
Bill Pmt -Check	07/15/2008	9668	Street Fleet		M & I Bank	-20.37	19.01
Bill Pmt -Check	08/01/2008	9684	Street Fleet		M & I Bank	-48.22	
Bill Pmt -Check	08/19/2008	9693	Street Fleet		M & I Bank	-45.93	
Bill Pmt -Check	09/15/2008	9713	Street Fleet		M & I Bank	-72.38	
Check	09/12/2008	WIRE	Taunton Ventures, LLC		M & I Bank	-195,000.00	6,556,333.33
Bill Pmt -Check	07/15/2008	9669	THOMAS PETTERS, INC.		M & I Bank	-12,500.00	62,500.00
Bill Pmt -Check	08/01/2008	9685	THOMAS PETTERS, INC.		M & I Bank	-25,000.00	
Bill Pmt -Check	08/19/2008	9694	T-Mobile		M & I Bank	-134.38	67.19
Bill Pmt -Check	07/15/2008	9670	Verizon Wireless-PA		M & I Bank	-146.78	
Bill Pmt -Check	08/01/2008	9686	Verizon Wireless-PA		M & I Bank	-92.43	
Bill Pmt -Check	08/19/2008	9695	Verizon Wireless-PA		M & I Bank	-238.15	
Bill Pmt -Check	09/15/2008	9714	Verizon Wireless-PA		M & I Bank	-209.95	634.96
						<u>-2,091,529.53</u>	

Jul 11 - Oct 11, 08

DATE PAID AMOUNT PAID ADDRESS AMOUNT OUTSTANDING

7/1/2008	MGI COMMISSIONS	25,333.34	Frank Vennes	Commissions are outstanding on all unpaid notes for PBFH, Inc and MGC Finance Inc.
7/2/2008	MGI COMMISSIONS	94,801.38	Metro Gem Inc.	
7/3/2008	MGI COMMISSIONS	156,795.63	PO Box 97	Commissions were paid when the notes were paid.
7/7/2008	MGI COMMISSIONS	119,308.57	Excelsior, MN 55331	
7/8/2008	MGI COMMISSIONS	22,958.33		
7/9/2008	MGI COMMISSIONS	70,973.82		
8/4/2008	MGI COMMISSIONS	99,318.03		
8/7/2008	MGI COMMISSIONS	27,716.67		
9/3/2008	MGI COMMISSIONS	327,686.08		
9/12/2008	MGI COMMISSIONS	267,000.00		

TOTAL MGI COMM PD \$ 1,211,891.85

8/6/2008 APRIVEN 20,884,827.33 5001 Spring Valley Rd.
Suite 290, Dallas, TX 75244 43,131,833.33

PETTERS COMPANY INC.

COMPANY/POSITION	NAME	BONUS 2007	ADDRESS
PETTERS REAL ESTATE MANAGER	Jon McGaunn	\$ 125,000.00	11140 NARRAGANSETT BAY COURT, WELLINGTON, FL 33414
PGW M Jeffries assistant	Dawn Ackerman	5,000.00	2921 FLORIDA AVE S, ST LOUIS PARK, MN 55426
PGW Tom's Executive assistant MN	Deanne Anderson	20,000.00	562 SUMMERFIELD DRIVE, CHANHASSEN, MN 55317
PETTERS REAL ESTATE GROUP	Dove Carter	45,000.00	255 EVERNIA ST #822, WEST PALM BEACH, FL 33401
PGW Tom's Executive assistant FL	Anastasia Dorsey	30,000.00	4610 PORTOFINO WAY #304, WEST PALM BEACH, FL 33409
PGW FLORIDA OFFICE STAFF	Georgina Fernandez	10,000.00	9873 LAWRENCE ROAD #L304, BOYNTON BEACH, FL 33436
PCE	Julie Dalton	2,500.00	6745 SHERIDAN AV SO, RICHFIELD, MN 55423
PGW HR	Amy Kaiser	500.00	10655 48th AV NO, PLYMOUTH, MN 55442
PCI Deanna Coleman's Assistant	Debra Lindstrom	35,000.00	1115 LILAC CT, WACONIA, MN 55387
PGW LEGAL	Lois Kruse	10,000.00	7601 W 101 ST UNIT 323, BLOOMINGTON, MN 55438
PGW FINANCE	Kevin Riedl	10,000.00	4718 OAK CLIFF DRIVE, EAGAN, MN 55122
PGW shipping/receiving	Arthur Joe	20,000.00	5724 BLUEBIRD LANE, MINNETONKA, MN 55435
PETTERS REAL ESTATE GROUP	Thomas Klassen	10,000.00	2100 PARKLANDS ROAD, ST LOUIS PARK, MN 55416
PGW LEGAL	Colleen Sarenpa	2,000.00	4900 SARATOGA LANE, PLYMOUTH, MN 55442
PGW HR	Carolyn Massine	5,000.00	5910 SWEETWATER CIRCLE, SHOREWOOD, MN 55331
PGW HR	Kelli Nelson	1,500.00	13018 JANE LANE, MINNETONKA, MN 55343
PGW LEGAL	Thomas Ting	20,000.00	10042 COVE DRIVE, MINNETONKA, MN 55305
PETTERS REAL ESTATE GROUP	Tammy Tesar	10,000.00	1345 ELSINORE CIRCLE, MEDINA, MN 55356
PGW HR	Matina Ploumidis	1,000.00	12981 ECHO LANE, APPLE VALLEY 55124
JTP FOUNDATION	Mollie O'Brien	20,000.00	2885 JAMES AV SO #301, MPLS., MN 55408
PCI ACCOUNTANT	Sandra Indahl	2,500.00	15325 68th AV NO, MAPLE GROVE, MN 55311
PGW- FL OFFICE	Charles G Kandare	12,500.00	9470 WORSWICK COURT, WELLINGTON, FL 33414
PETTERS REAL ESTATE GROUP	Jared Danielson	10,000.00	1440 S LODINE ST, RAMSEY, MN 55303
PETTERS REAL ESTATE GROUP	Thomas R Salmen	10,000.00	1972 SHERIDAN AV SO, MPLS., MN 55405
PGW FLORIDA OFFICE STAFF	Kimberly Honig	25,000.00	801 S OLIVE AV #1115, WEST PALM BEACH, FL 33401
PGW PAYROLL	Leslie McLaughlon	1,000.00	24598 CEDAR POINT ROAD, NEW PRAGUE, MN 56071
PGW HR	Katie Northrup	1,500.00	7008 88th AV NO, BROOKLYN PARK MN 55445
POLAROID CK 3195 3/4/08 GIFT	Brett B McKinney	60,000.00	5268 Greystone Way Birmingham, AL 35242

TOTAL 505,000.00

PETTERS COMPANY, INC.
Transaction Detail By Account
October 10, 2007 through October 11, 2008

Petters Company Inc

COMPANY/POSITION	2007 1099's BONUS	SALARY PD FEES PD	ADDRESS
Payments to officers and insiders			
PGW VP	\$ 1,250,000.00		13996 WELLINGTON DRIVE, EDEN PRAIRIE, MN 55347
PCI CONSULTANT	\$ 1,000,000.00	\$384,000.00	538 GRACE ST, EXCELSIOE, MN 55331
PCI VP	\$ 1,600,000.00	\$391,459.52	14420 CARLSON PARKWAY, PLYMOUTH, MN 55447
PCI-DEANNA'S BOYFRIEND	\$ 25,000.00	\$80,769.15	14420 CARLSON PARKWAY, PLYMOUTH, MN 55447
PGW VP	\$ 1,000,000.00		6 BADGER LANE, NORTH OAKS, MN 55127
PGW VP	\$ 1,000,000.00		4595 OAKVIEW LANE, PLYMOUTH, MN 55442
PGW ATTORNEY	\$ 300,000.00		12602 EDEN CT, APPLE VALLEY, MN 55124
PCE VP, BUSINESS PARTNER	\$ 850,000.00		4400 BAKER ROAD, MINNETONKA, MN 55343
PGW CONSULTANT	\$ 1,000,000.00		951 SPRING HILL ROAD, WAYZATA, MN 55391
PGW VP	\$ 1,000,000.00		18767 BEARPATH TRAIL, EDEN PRAIRIE, MN 55347
PETTERS REAL ESTATE VP	\$ 250,000.00		404 MISSISSIPPI RIVER BLVD SO, ST PAUL, MN 55105
POLAROID VP	\$ 500,000.00		19 NORTHBRIAR RD, ACTON, MA 01720
PCE VP, BUSINESS PARTNER	\$ 2,000,000.00		4400 BAKER ROAD, MINNETONKA, MN 55343
PGW VP	\$ 350,000.00		2014 OAKLAND ROAD, MINNETONKA, MN 55305
PGW VP	\$ 25,000.00		6417 106th ST, CLEAR LAKE, MN 55319
PGW VP	\$ 50,000.00		7155 COUNTY ROAD 155, WACONIA, MN 55387
PGW? Tom's personal assistant	\$ 50,000.00		1031 SUMTER AVE N, GOLDEN VALLEY, MN 55427
PGW VP	\$ 50,000.00		9096 LARKKSPUR LANE, EDEN PRAIRIE, MN 55347
JOHN PETTERS FOUNDATION VP	\$ 50,000.00		9319 QUINN ROAD, BLOOMINGTON, MN 55437
POLAROID VP	\$ 40,000.00	\$24,000.08	1210 GOLDENROD LANE NO, PLYMOUTH, MN 55441
PCI-TOM PETTERS DAUGHTER		\$250,000.00	655 BUSHAWAY RD, WAYZATA, MN 55391
PCI-TOM PETTERS			656 BUSHAWAY RD, WAYZATA, MN 55391
	<u>\$12,390,000.00</u>	<u>\$ 1,130,228.75</u>	

In re Petters Company, Inc.
Debtor

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

DECLARATION CONCERNING DEBTOR'S SCHEDULES


DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

(NOT APPLICABLE)

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I **Douglas A. Kelley**, the Receiver and Debtor in Possession of the Corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 23 sheets (*Total shown on summary page plus 1*), and that they are true and correct to the best of my knowledge, information, and belief.

Date 12/10/08

Signature: 
Douglas A. Kelley Receiver and Debtor in Possession
[Print or type name of individual signing on behalf of debtor.]

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

The foregoing information concerning assets held, valuation of those assets, creditors and claims is based upon records available to the Debtor, the accuracy and validity of which is in question. This information is compiled from various sources and represents a good faith estimate. These schedules, statements and other documents may be amended as more information becomes available.