

and Theodore Deikel (“Deikel”), and which was funded largely by Petters Company, Inc. (“PCI”). At that time FAC owned 100% of Fingerhut.

4. In 2004, pursuant to an agreement among Fingerhut (now Bluestem), FAC and PCI, \$27.5 million of the total FAC and PCI debt was satisfied through the issuance of Preferred Stock in Bluestem, and in the same transaction several new private equity investors made significant cash investments in Bluestem to also acquire shares of Bluestem Preferred Stock (the “Bluestem Refinance”).

5. In connection with the satisfaction of FAC and PCI debt by Bluestem as part of the Bluestem Refinance in 2004, Deikel asserts two claims. First, on July 20, 2006, PCI entered into a certain letter agreement (“Letter Agreement 1”) pursuant to which Deikel asserts he is entitled to receive the proceeds in excess of \$0.175/share received by PCI on the sale of 6,493,966 shares of Bluestem Common Stock. A true and correct copy of Letter Agreement 1 is attached hereto as Exhibit A. Second, on August 14, 2006, PCI entered into a certain letter agreement (“Letter Agreement 2” and together with Letter Agreement 1, the “Letter Agreements”) pursuant to which Deikel asserts he is entitled to receive the per share net sales proceeds received by PCI on 19 million shares of Bluestem Preferred Stock in excess of a \$0.203/share price. A true and correct copy of Letter Agreement 2 is attached hereto as Exhibit B. Deikel, through his counsel, notified the Receiver on January 23, 2009 of his claims arising from the Letter Agreements.

6. In 2007, Petters Group Worldwide, LLC (“PGW”) acquired from PCI the 261,630,861 shares of Preferred Stock that were issued to PCI in the 2004 debt conversion referred to above and an additional 77,100,780 shares of Preferred Stock,

which total the 338,731,641 shares of Bluestem Preferred Stock that PGW now owns. Two other entities that are owned or were controlled by Petters and subject to the Receivership Order, EBP and RTB, are also stockholders of Bluestem. I believe that—if all shares of Preferred Stock were converted to Bluestem Common Stock—PGW would then own about 18.5%, EBP about 2.9%, and RTB about 0.1% (collectively about 21.6%) of the shares of Bluestem Common Stock then outstanding.

7. According to the audited financial statements for Bluestem’s fiscal year ended January 31, 2011 that are included in Bluestem’s Registration Statement, for that fiscal year Bluestem had revenues of \$521 million, net income before loss on derivatives in its own equity of \$21 million, and adjusted earnings before depreciation, interest, taxes, depreciation and amortization of \$78 million. Thus the Bluestem stock held by EBP, RTB and PGW clearly has substantial value, though it is difficult to quantify the value at this time because of the absence of any public market for Bluestem stock.

8. On April 21, 2011, Bluestem filed with the U.S. Securities and Exchange Commission (“SEC”) a Registration Statement (“Registration Statement”) under the Securities Act of 1933, as amended, for a proposed initial public offering (“IPO”) of Bluestem’s Common Stock. The IPO will allow for the liquidation of Bluestem Stock for the benefit of victims of Petters’ fraudulent scheme.

9. To resolve claims resulting from the Letter Agreements (the “Disputes”), the Parties have agreed to fully and finally resolve the Disputes on the terms and subject to the conditions set forth in the Settlement Agreement (the “Settlement Agreement”), a true and correct copy of which is attached hereto as Exhibit C.

10. The Settlement Agreement provides that Deikel shall be allowed, subject to approval of the United States Bankruptcy Court for the District of Minnesota, a claim based solely on claims arising from the Letter Agreements and such claim shall be allowed as a non-priority, general unsecured claim (the “Allowed Claim”) in the bankruptcy case of Petters Company, Inc., Case No. 08-45257. The Allowed Claim shall initially be filed in an indeterminate amount as the Allowed Claim is currently unliquidated and is contingent on a sale of the shares of Bluestem Brands, Inc. as part of, or subsequent to, Bluestem’s IPO. At such time as the amount of the Allowed Claim can be determined, Deikel shall file an amended proof-of-claim in the PCI bankruptcy case. The Trustee and Receiver reserve any and all rights, claims and defenses that the Receiver, Trustee or the bankruptcy estates may have with respect to the amount of such Allowed Claim

11. For the foregoing reasons, Affiant respectfully requests that the Court issue an Order approving a Settlement Agreement by and between Douglas A. Kelley, as the Receiver for Thomas J. Petters, EBP Select Holdings, Inc. and RTB Holding, LLC and as the Chapter 11 Trustee for Petters Company, Inc., and Theodore Deikel.

Dated this 27th day of April 2011

By: Douglas A. Kelley
Douglas A. Kelley

Court-Appointed Receiver for Petters
Aircraft Leasing, LLC and Thomas Petters,
Inc.

431 S. Seventh Street, Suite 2530
Minneapolis, MN 55415

Telephone: (612) 371-9090
Email: dkelley@kelleywolter.com

Subscribed and sworn to before me
this 27th day of April 2011.

Melinda R. Beckers
Notary Public

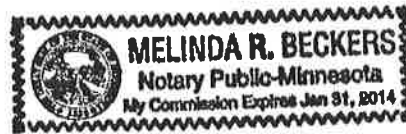


EXHIBIT A

FAC Acquisition, LLC
Petters Company, Inc.

July 29, 2006

Ted Deikel

RE: Certain Fingerhut Shares to be Transferred to Petters Company, Inc.


Dear Ted,

This letter agreement memorializes the agreement among FAC Acquisition, LLC ("FAC"), Petters Company, Inc. ("PCI") and you, Ted Deikel, regarding certain shares of Fingerhut Direct Marketing, Inc. ("FDM"). FAC and PCI anticipate that a total of 28,850,862 FDM common shares (the "Transferred Shares") will be transferred from FAC to PCI in satisfaction of certain amounts owed by FAC to PCI.

Effective after the Transferred Shares are transferred by FAC to PCI, PCI agrees that upon PCI's sales of the Transferred Shares to a third party, if the per share net sales proceeds received by PCI exceed \$0.175 per Transferred Share, PCI will pay to you the per share net sales proceeds so received by PCI in excess of \$0.175 per share with respect to 6,493,966 Transferred Shares (and no others). For example, if the Transferred Shares were sold by PCI for a net per share sales price of \$0.20 per share, PCI would pay to you \$162,349.15 under this letter agreement. Payment of the amount (if any) owed under this letter agreement will be made promptly after PCI's receipt of the net sales proceeds for the Transferred Shares, and may be paid in the same type and form of sale consideration received by PCI with respect to the Transferred Shares.

References to the \$0.175 per share and 6,493,966 shares will be equitably adjusted for FDM stock splits and the like occurring after the date of this letter agreement. If the Transferred Shares are sold by PCI at different prices, then the net sales proceeds shall be determined based on the average net sales proceeds received by PCI. This letter agreement will apply only to the Transferred Shares, and not any other FDM shares that PCI owns currently or may own in the future. Upon transfer of the Transferred Shares by FAC to PCI, you will no longer have any rights, directly or indirectly, in the Transferred Shares, and PCI's only obligation to you will be to pay to you the amounts set forth above when due in accordance with the above terms.

Sincerely,


Thomas J. Petters, as Chairman of
Petters Company, Inc. and as the sole
Manager of FAC Acquisition, LLC

AGREED:

Ted Deikel

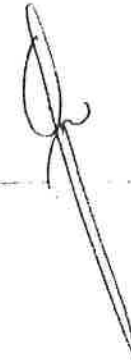


EXHIBIT B

Ted Deikel
1001 California Street
Nob Hill
San Francisco, CA 94108
August 14, 2006

Mr. Thomas Petters
Petters Company, Inc.
4400 Baker Road
Minnetonka, MN 55343

Re: Call Options

Dear Tom:


This letter memorializes the agreement among Petters Company, Inc., a Minnesota corporation ("PCI"), Thomas J. Petters, FAC Acquisition, LLC ("FAC") and myself, set forth in Amendment No. 1 to Agreement regarding FDM and FAC effective as of February 11, 2004 (the "Agreement"). The Agreement grants me three Call Options to purchase from PCI certain shares of Fingerbut Direct Marketing, Inc.'s ("FDM") preferred shares, labeled First Call Option, Second Call Option and Third Call Option. Although I did not exercise the First Call Option, I requested an extension of time within which to exercise the Second Call Option and the time for exercising the Third Call Option has not yet commenced.

Both of us are now aware of the FDM Board's objection to PCI transferring any shares to me pursuant to the Agreement. Rather than fighting with the Board and putting you in an uncomfortable position, it is to our mutual best interest to find an alternate method of providing PCI and myself the financial benefits of the Agreement without me exercising the Call Options or PCI transferring the actual shares to me upon my exercise. Because I would not become the owner of the shares, the Board is not involved and can have no objection to such an arrangement.

In consideration of my giving up all rights to purchase from PCI shares of FDM preferred stock pursuant to the Call Option contained in the Agreement, PCI agrees that upon PCI's sale of the Third Call Option shares to a third party, PCI will pay to me the per share net sales proceeds so received by PCI in excess of \$0.203 per share on the sale of the Third Call Option shares. Payment of the amount (if any) owed under this letter agreement will be made promptly after PCI's receipt of the net sales proceeds, and may be paid in the same type and form of sale consideration received by PCI with respect to those shares.

References to the \$0.203 per share on the sale of the 19 million Third Call Option shares will be equitably adjusted for FDM stock splits and the like occurring after the date of this letter agreement. If the shares are sold by PCI at different prices, then the net sales proceeds shall be determined based on the average net sales proceeds received by PCI for the Third Call Option shares. This letter agreement will apply only to the Third Call Option shares and not any other FDM shares that PCI owns currently or may own in the future, except for FDM common shares that may be received upon converting the Call Option shares.

Sincerely,



Ted Deikel

Agreed

PETTERS COMPANY, INC.



By:

Thomas J. Petters

EXHIBIT C

Settlement Agreement

This Settlement Agreement (the "Agreement") is made and entered effective as of the date indicated below, by and between Douglas A. Kelley, in his capacity as a Receiver and a Trustee, defined below, and Theodore Deikel (the "Deikel") (each of the Receiver, Trustee and Deikel is a "Party" and collectively are the "Parties").

Recitals

WHEREAS, pursuant to an Order entered on October 6, 2008 and as amended on December 8, 2008, the Honorable Ann Montgomery, United States District Judge for the District of Minnesota (the "District Court") appointed Douglas A. Kelley as receiver (the "Receiver") for, among others, Thomas J. Petters ("Petters"), Petters Company, Inc., Petters Group Worldwide, LLC and any affiliates, subsidiaries, divisions, successors, or assigns owned 100% or controlled by the foregoing. *United States v. Petters, et al.*, United States District Court, District of Minnesota, Case No. 0:08-cv-05348 Doc # 12, 127 (the "Receivership Order");

WHEREAS, pursuant to the authority granted to him under the Receivership Order, the Receiver filed petitions in the United States Bankruptcy Court for the District of Minnesota (the "Bankruptcy Court") commencing the Chapter 11 cases of Petters Company, Inc. ("PCI" or the "PCI Estate") and Petters Group Worldwide, LLC ("PGW" or the "PGW Estate") on October 11, 2008. Petitions commencing the Chapter 11 cases of PC Funding, LLC, Thousand Lakes, LLC, SPF Funding, LLC, PL Ltd., Inc., Edge One, LLC, and MGC Finance, Inc. were filed on October 15, 2008. The petition commencing the Chapter 11 case of PAL Funding, LLC was filed on October 17, 2008. The petition commencing the Chapter 11 case of Palm Beach Finance Holdings, Inc. was filed on October 19, 2008. Each of the Chapter 11 cases will be referred to as a "Bankruptcy Case" and collectively will be referred to as the "Bankruptcy Cases." The Bankruptcy Cases are being jointly administered under *In re Petters Company, Inc., et al.*, United States Bankruptcy Court, District of Minnesota, Case No. 08-45257 (Kishel, Judge). As used herein, the term "Petition Date" shall refer to the date of filing of the petitions for each Bankruptcy Case described above;

WHEREAS, On February 26, 2009, the Bankruptcy Court approved the appointment of Douglas A. Kelley, Esq. (the "Trustee"), as the Chapter 11 trustee for the Bankruptcy Cases;

WHEREAS, Deikel asserts that prior to the Petition Date, in connection with the refinancing of FAC Acquisition, LLC ("FAC"), an entity owned equally by Deikel and Petters, PCI entered into certain letter agreement dated July 20, 2006 ("Letter Agreement 1") pursuant to which Deikel is entitled to receive the proceeds in excess of \$0.175/share received by PCI on the sale of 6,493,966 common shares of Bluestem Brands, Inc. (f/k/a Fingerhut Direct Marketing, Inc) ("Bluestem" or "FDM");

WHEREAS, Deikel asserts that prior to the Petition Date, also in connection with the refinancing of FAC PCI entered into a certain letter agreement dated August 14, 2006 ("Letter Agreement 2") and together with Letter Agreement 1, the "Letter Agreements") pursuant to which Deikel is entitled to receive the per share net sales proceeds received by PCI on 19 million shares of Bluestem preferred stock in excess of a \$0.203/share price;

WHEREAS, in 2007, PGW acquired all of PCI's Bluestem Series A Preferred Stock and Brian Smith, EBP Select Holdings, Inc. ("EBP") and RTB Holding, LLC ("RTB") acquired all of PCI's shares of Bluestem Common Stock. EBP and RTB are each entities subject to the Receivership;

WHEREAS, on December 29, 2010, Deikel filed a Motion for Allowance and Payment of Administrative Claim, Dkt. No. 829 (the "Administrative Claim" and the "Administrative Claim Motion"), asserting claims based on the obligations set forth in the Letter Agreements and that such claims are an administrative expense claim pursuant to 11 U.S.C. § 503(b)(1)(a) that are entitled to priority pursuant to 11 U.S.C. § 507(a)(2);

WHEREAS, the Bankruptcy Court established December 29, 2009 (the "Claims Bar Date") as last date by which proofs of claim were to be timely filed in the Bankruptcy Cases;

WHEREAS, Deikel had not, prior to the Claims Bar Date, filed a proof of claim based on the Letter Agreements, but had notified the Trustee and Receiver of his claims and provided the Trustee with copies of the Letter Agreements on January 23, 2009, a date that was prior to the claim bar date;

WHEREAS, the Parties wish to settle the Administrative Claim and claims arising from the Letter Agreements and (collectively, the "Disputes");

WHEREAS, resolution of the Disputes by this Agreement is subject to the approval of the Bankruptcy Court and the District Court;

WHEREAS, the Parties wish to settle the Disputes without the expense, delay and uncertainty of litigation;

NOW, THEREFORE, in consideration of the foregoing, of the mutual covenants, promises and undertakings set forth herein, and for good and valuable consideration, the mutual receipt and sufficiency of which are hereby acknowledged, and subject to the approval of the Bankruptcy Court, the Parties agree as follows:

Agreement

The Recitals set forth above are incorporated herein by reference and agreed to as if fully set forth herein.

1. Allowed Claim. Within 30 days of entry of Orders approving the Trustee's and Receiver's entry into this Agreement resolving the Disputes, Deikel shall file a proof of claim in the PCI Bankruptcy Case, Case No. 08-45257, which claim shall be based solely on claims arising from the Letter Agreements and such claim shall be allowed as a non-priority, general unsecured claim (the "Allowed Claim");

2. Amount of the Allowed Claim. The Allowed Claim shall initially be filed in an indeterminate amount as the Allowed Claim is currently unliquidated and is contingent on a sale by PGW of the shares of Bluestem Brands, Inc. it holds. At such time as the amount of the Allowed Claim can be determined, Deikel shall file an amended proof-of-claim. A copy of the

Allowed Claim is attached hereto and incorporated herein by reference as Exhibit 1. The Trustee and Receiver reserve any and all rights, claims and defenses that the Receiver, Trustee or the bankruptcy estates may have with respect to the amount of such Allowed Claim;

3. Administrative Claim. Promptly upon entry of orders of the Bankruptcy Court and the District Court approving the Agreement, Deikel shall withdraw the Administrative Claim Motion, with prejudice.

4. Court Approval; Effective Date; Termination. This Agreement is subject to, and shall become effective and binding on the Parties upon, and only upon, the approval of the District Court and the Bankruptcy Court of this Agreement. The Parties shall use their best efforts to obtain such approval as promptly as practicable after the date of this Agreement. If this Agreement does not become effective, (a) the Agreement shall terminate and be null and void for all purposes, (b) all of the statements, admissions, consents and agreements contained in the Agreement shall be null and void, and (c) neither the Trustee nor Deikel may use or rely on any such statement, admission, consent or agreement in any public statement or litigation involving the Receivership and the Bankruptcy Cases, any case or proceeding relating to the Receivership or the Bankruptcy Cases.

5. Non-Disparagement. The Parties agree to not make any false and disparaging statements regarding any Party to this Agreement concerning this Agreement.

6. Further Assurances. The Parties shall execute and deliver any document or instrument reasonably requested by any of them after the date of the Agreement to effectuate the intent of the Agreement.

7. Entire Agreement. This Agreement between the Parties constitutes the entire agreement and understanding between and among the Parties and supersedes all prior agreements, representations and understandings concerning the subject matter thereof.

8. Amendments, Waiver. This Agreement may not be terminated, amended or modified in any way except in a writing signed by all the Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

9. Assignability. No Party hereto may assign its rights under this Agreement without the prior written consent of each of the other Parties hereto.

10. Successors Bound. This Agreement shall be binding upon and inure to the benefit of each of the Parties and their successors and permitted assigns.

11. No Third Party Beneficiary. The Parties do not intend to confer any benefit by or under this Agreement upon any person or entity other than the Parties hereto and their respective successors and permitted assigns.

12. Governing Law; Venue. This Agreement shall be construed under and governed by the laws of the State of Minnesota without regard to the conflicts of law principles of any jurisdiction. Any action brought to enforce any provision of this Agreement shall be brought in a

court of competent jurisdiction sitting in Minneapolis, Minnesota, and the Parties hereto hereby consent to the jurisdiction of such courts.

13. Attorneys' Fees. In the event that any action or proceeding is or shall be necessary to enforce the provisions of this Agreement due to a breach thereof, the prevailing party shall be entitled to recover, in addition to the outstanding amounts, reasonable attorneys' fees and costs incurred in connection with such enforcement from the breaching party.

14. Captions and Rules of Construction. The captions in this Agreement are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Any reference in this Agreement to a paragraph is to a paragraph of this Agreement. "Includes" and "including" are not limiting.

15. Counterparts; Electronic Copy of Signatures. This Agreement and attachments may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same document. The Parties may evidence their execution of this Agreement by delivery to the other Parties of scanned or faxed copies of their signatures, with the same effect as the delivery of an original signature.

16. Notices. Any notices under this Agreement shall be in writing, shall be effective when received and may be delivered only by hand, by overnight delivery service, by fax or by electronic transmission to:

If to the Trustee, c/o:	If to the Receiver, c/o:	If to Transferee, c/o:
Daryle L. Uphoff Lindquist & Vennum 4200 IDS Center 80 South Eighth Street Minneapolis, MN 55402-2274 T: (612) 371-3230 F: (612) 371-3207 E: duphoff@lindquist.com	Daryle L. Uphoff Lindquist & Vennum 4200 IDS Center 80 South Eighth Street Minneapolis, MN 55402-2274 T: (612) 371-3230 F: (612) 371-3207 E: duphoff@lindquist.com	Ronald Haskvitz Lommen, Abdo, Cole, King & Stageberg, P.A. 2000 IDS Center 80 South Eighth Street Minneapolis, MN 55402 T: (612) 336-9340 F: (612) 339-8064 E: Ron@lommen.com

17. Severability. By execution of this Agreement, the Parties acknowledge that if any of the provisions of paragraphs 1 through 4 of this Agreement shall be found to be invalid or unenforceable for any reason, this Agreement shall be null and void. Excepting the provisions of paragraphs 1 through 4, if any other provision of this Agreement is found invalid or unenforceable for any reason, such provision may be severed from the remainder of this Agreement and the remaining provisions enforced as written to effectuate the purposes of this Agreement.

IN WITNESS HEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written below.

Date: By: _____

Douglas A. Kelley
431 S. Seventh St.,
Suite 2530
Minneapolis, MN 55415
Telephone: (612) 371-9090

CHAPTER 11 TRUSTEE

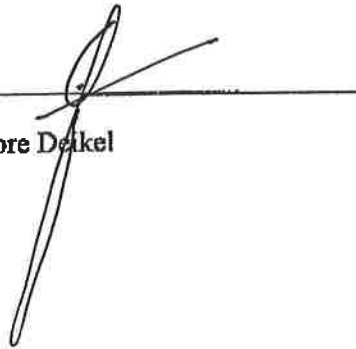
Date: By: _____

Douglas A. Kelley
431 S. Seventh St.,
Suite 2530
Minneapolis, MN 55415
Telephone: (612) 371-9090

COURT APPOINTED RECEIVER

Date: By: _____

Theodore Deikel



IN WITNESS HEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written below.

Date: April 27, 2011 By: Douglas A. Kelley

Douglas A. Kelley
431 S. Seventh St.,
Suite 2530
Minneapolis, MN 55415
Telephone: (612) 371-9090

CHAPTER 11 TRUSTEE

Date: April 27, 2011 By: Douglas A. Kelley

Douglas A. Kelley
431 S. Seventh St.,
Suite 2530
Minneapolis, MN 55415
Telephone: (612) 371-9090

COURT APPOINTED RECEIVER

Date: _____ By: 1

Theodore Deikel

EXHIBIT 1

B10 (Official Form 10) (4/10)

UNITED STATES BANKRUPTCY COURT DISTRICT OF MINNESOTA	7 11 12 <input type="radio"/> <input type="radio"/> <input type="radio"/>	PROOF OF CLAIM
Name of Debtor: Petters Company, Inc.	Case Number: 08-45257	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Theodore Deikel	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.	
Name and address where notices should be sent: <div style="text-align: right; margin-right: 50px;"> Ronald Haskvitz, Esq. Lommen, Abdo, Cole, King & Stageberg, P.A. 80 S. Eighth St., Suite 2000 Minneapolis, MN 55402 </div> Telephone number: 612-336-9339	Court Claim Number: _____ (if known)	
Name and address where payment should be sent (if different from above): Telephone number:	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ <u>Indeterminate Amount</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.	
2. Basis for Claim: <u>Settlement Agreement on Letter Agreements as Calculated on Exhibit A</u> (See instruction #2 on reverse side.)	<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____	<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:	<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ _____ *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
Date: _____	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <div style="text-align: center;"> Ronald Haskvitz, Counsel for Theodore Deikel </div>	
FOR COURT USE ONLY Send original to: U.S. Bankruptcy Court 301 U.S. Courthouse 300 South Fourth St. Minneapolis, MN 55415		Penalties for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

Exhibit A

1. Mr. Deikel is entitled to amend this indeterminate proof of claim to an amount that will be calculated as follows pursuant to the terms of that certain letter agreement dated July 20, 2006 ("Letter Agreement 1") upon the Trustee's sale of the 6,493,966 common shares of Bluestem Brands, Inc. (f/k/a Fingerhut Direct Marketing, Inc) ("Bluestem"): Sale Price (to be determined upon sale) that is in excess of \$0.175 per share times the number of shares, 6,493,966 = Amount of Allowed Claim for Letter Agreement 1.

2. Mr. Deikel is entitled to amend this indeterminate proof of claim to an amount that will be calculated as follows pursuant to the terms of that certain letter agreement dated August 14, 2006 ("Letter Agreement 2") upon the Trustee's sale of the 19,000,000 preferred common shares of Bluestem stock): Sale Price (to be determined upon sale) that is in excess of \$0.203 per share times the number of shares, 19,000,000 = Amount of Allowed Claim for Letter Agreement 2.

3. The Total Amount of the Allowed Amended Claim shall be the Amount of Allowed Claim for Letter Agreement 1, plus the Amount of Allowed Claim for Letter Agreement 2.