

From: Jen MacLean
To: Curt Schilling; Tom Zaccagnino
Cc: Rick Wester; Bill Thomas
Subject: Fwd: Agreement
Date: Wednesday, October 27, 2010 11:13:10 PM

FYI. After running payroll, we have less than \$500k in our Maynard accounts. We simply can't pay Mike before the bonds close, no matter how much he might wish otherwise. We need to come up with a cash flow schedule that works for us as well as Mike.

I also won't agree to a \$500k fee solely for the citizens work—that's far too high and sets a terrible precedent. I'm not disputing the amount to be paid, but we need to make sure we can justify it and that we're not boxing ourselves into a corner.

If Mike comes to either of you to discuss, please send him back to me. He needs to learn that he can't go around me when he doesn't like my answer.

Begin forwarded message:

From: Jen MacLean <jmaclean@38studios.com>
Date: October 27, 2010 11:07:43 PM EDT
To: Michael <mcorso@kingstoncap.com>
Cc: Rick Wester <rwester@38studios.com>
Subject: Re: Agreement

It's not appropriate for Curt or Tom to be involved in this discussion. I'm sure Rick would be happy to join us.

To be clear, it's not an issue of not wanting to pay you. I recognize you've always acted in good faith and we will of course honor our verbal agreement. But the funds simply aren't available until the bonds close.

We should also agree on what the fees are for. I'm certainly not disputing a payment amount since we've already agreed to the total, but we need to come up with a schedule that works for the company's cash flow, that accurately represents your work (if and when the arrangement becomes public), and that doesn't set an unworkable precedent (like a 10% fee).

I can talk tomorrow at 9 or at 4:30, let me know what you prefer.

On Oct 27, 2010, at 10:31 PM, "Michael" <mcorso@kingstoncap.com> wrote:

Well, I would like to get on the phone with you, Curt and Tom tomorrow to discuss so we can just get it resolved before the closing and how we move forward. Can you do late afternoon around 4:00 instead of morning?



On Oct 27, 2010, at 6:45 PM, Jen MacLean
<jmaclean@38studios.com> wrote:

Mike, you've been misinformed about our finances.
I'll go into more detail tomorrow morning, but we
won't be able to pay anything before the bond
closes.

On Oct 27, 2010, at 6:40 PM, "Michael Corso"
<mcorso@kingstoncap.com> wrote:

Jen:

One item I wanted to discuss. I want
to submit an invoice for services

rendered against securing the Citizen's
line of credit and letter of credit

for \$500,000 payable no later than
Friday, which will reduce overall fee.

When we sat down with Citizens, we
had enough to get through November.

Also, I would like the warrants issued as
well. Obviously I do not want to

cause any dilution issues. After closing
we can sit down with you, Curt and

Tom and determine how best to deal
with the balance. I have been working
in

good faith since inception, but would
like to have this payment done this

week.

Thanks.

Michael