

[REDACTED]

From: Kaleil Isaza Tuzman [REDACTED]
Sent: Thursday, March 26, 2009 11:56 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Call

Quick answers/responses below in CAPS. Will ignore most of the content to be productive/bring us forward. I know from [REDACTED] he didn't mean to hit "send" on this so don't want to over-react or push us backwards. -K

From: [REDACTED]
Sent: Thursday, March 26, 2009 6:12 PM
To: Kaleil Isaza Tuzman
Cc: [REDACTED]
Subject: Re: Call

Thanks Kaleil, your email was constructive.

Its good we have everything written down so the facts can be clear to all parties.

Couple of notes:

-Did I read the tail end of the email correctly? That you don't actually need Kit Media to be in for \$5mln in order for the larger fundraising deal to close? This is what was represented to [REDACTED], if so then that is a relief because [REDACTED]'s money is not needed, or am I missing something? If you need a private channel of communication at any time let me know. [REDACTED], I THINK YOU KNOW THE ANSWER TO THIS ALREADY, SO NOT SURE WHERE THE QUESTION COMES FROM. THE KIT MEDIA REQUISITE OF \$5 MILLION IS RELATED TO THE COMMITMENT THAT YOU AND I MADE TO THE BOARD ON DECEMBER 31ST, WHICH THEN FED INTO THE ROTH PROCESS. IT WAS NOT A VISION-LED REQUISITE.

-Regarding point #3 Kustagatan (you actually have 2 #3 points) I can now see how you got confused however, since day 1, I have made specific representations that I neither own, or control Kustagatan. I did say I have enough suasion (i.e. influence) to get it to invest \$3mln but like other arrangements I have made with KIT (ie [REDACTED], etc) to my eventual dismay, I made trade-offs to get it done, including return swaps with Blue Earth Solutions which would have inured to a family trust (where my ex-wife is unfortunately a co-trustee) but since Blue Earth Solutions --which Maiden got me and Kustagatan into - has proven to be a multi-million loss approaching, if not surpassing the Enable debacle -where there is an actual criminal involved in running the enterprise--all related parties are fuming mad to say the least--. I HAVE NO EXPOSURE OR KNOWLEDGE ABOUT BESN, OTHER THAN THAT YOU AND STEVE AND [REDACTED] ALL SEEM TO HAVE SOME EXPOSURE TO IT, WHICH IS TOTALLY VAGUE TO ME. I DISTINCTLY REMEMBER YOU SAYING KUSTGATAN WAS A FAMILY TRUST OF YOURS, BUT NO MATTER. I JUST NEED TO KNOW HOW TO HANDLE LLOYD AT THIS POINT. STILL NEED YOUR GUIDANCE HERE. HAVE BEEN PUTTING OFF A CALL WITH HIM, AND SOON IT NEEDS TO HAPPEN.

3 (second one):

This was unclear and we need to agree on the facts. For clarity's sake you ARE agreeing that, at a minimum, the \$1mln KIT Media subscription and wire in late Dec/early January can be transferred to Maiden, correct? It is undisputed that \$1mln was sent to Kit Digital pursuant to the December 31st subscription agreement. If you are referring to Enable, the agreements and surrounding emails are clear that the money was invested into KIT Media, which then lent the money to Enable to make a payment to Kit Digital. THE AGREEMENT ON DECEMBER 31ST COMMITTED YOU TO BRINGING IN AT LEAST \$3.5875MM OF FUNDING WHICH DID NOT HAPPEN. THE \$1MM WAS TO MAKE GOOD ON ENABLE DEBT, NOT FRESH CAPITAL. VALUE FROM IT'S INVESTMENT WAS TO BE DERIVED BY THE UPSIDE OF THE KDGL SALE ADVISORY FEE, ETC.--WHICH OUT OF GOOD FAITH I HAVE MAINTAINED

IN THE PROPOSED "CLEAN-UP" AGREEMENT WHICH YOU HAVE RECEIVED BY EMAIL A BIT AGO, EVEN THOUGH THE DEC 31ST AGREEMENT TERMS WERE NOT MET.

- Background facts seem necessary here. The entire \$2.5 million investment "to fill the Enable hole" was only made after I recommended that we disclose the Enable loss to the public since it was a material event. As a CEO, Kaleil had to sign off an oath stipulating that the public financials were accurate so ultimately it was up to him.

Kaleil felt he would face a total wipeout scenario if he disclosed this and lose everything and it would be better to figure out another way to "fill the hole" and chase [REDACTED] from GTL for the funds. He went ahead and hired "special collection agents" from Colombia and Spain to pursue the collection efforts. Kaleil stated that if they don't collect from [REDACTED] they will kill [REDACTED] or his family members as this is how some people do business there. I believe in the sanctity of human life, even if you lose all your money or someone robs it from you, killing is unacceptable. Kaleil has told me he believes it is ethical and justifiable under those circumstances.

I believe this is what Kaleil was referring to earlier about me and him coming from "two very different ethical places." ACTUALLY, THIS IS NOT AT ALL WHAT I MEANT WHEN I REFERRED TO TWO VERY DIFFERENT ETHICAL PLACES, BUT YOU KNOW THAT. I WAS INSTEAD REFERRING TO THE FACT THAT KIT DIGITAL PLACED AROUND \$8MM WITH ENABLE IN EARLY AUGUST, AND ACCORDING TO RECORDS [REDACTED] HAS SHOWN US THIS MONEY EFFECTIVELY "DISAPPEARED" IN A WEEK. YOU WERE PAYING AMOUNTS IN THE FALL AND INTO EARLY JANUARY TO COVER ENABLE'S DEBTS, BECAUSE YOU AND YOUR BROTHER ARE DEEPLY EMBEDDED IN WHATEVER HAPPENED AT ENABLE, WHICH REMAINS TOTALLY OPAQUE TO ME (BECAUSE WE DO NOT HAVE AN AUDIT). YOUR "SPECIAL COLLECTION AGENT" AND THREATS AND SANCTITY OF HUMAN LIFE COMMENTS ARE ALL A RUSE THAT HIDE THE SIMPLE FACT THAT MONEY WE SENT YOUR BROTHER DISAPPEARED INEXPLICABLY AND WITHOUT AN AUDIT TRAIL. I HAVE TOLD YOU, AND I WILL TELL YOU AGAIN, THAT THIS SORT OF THING RESULTS IN AWFUL CONSEQUENCES IN CERTAIN PARTS OF THE WORLD (AND IN THE U.S. TOO!). THIS IS NOT A THREAT, IT IS SIMPLY THE REALITY OF LIFE AND THE CONSEQUENCES OF FRAUD/THEFT. WE ALSO KNOW THAT ENABLE OWES MONEY TO OTHER CHARACTERS THAT ARE LESS CIVILIZED THAN THE THREE OF US. 'NUFF SAID.

In the midst of these collection efforts, [REDACTED], who is Kaleil's partner and a KIT Digital board member and a "choir boy" learned about the losses at Enable (which [REDACTED] and [REDACTED], fellow partners in KCP Capital-- relayed to [REDACTED]) and stated that this required a public audit disclosure. A \$1million redemption request was made by KIT Media from Enable with no way for Enable to meet this.

In the midst of this anguish Kaleil reached out to me, flew to Prague and spent the holiday vacation working on a way to complete the year end financing, which had the rationale and material benefit that all shareholders in KIT Media would benefit from the warrants being ratcheted down from 34 cents to 16 cents.

During our fundraising work, Kaleil said his collection agents "made contact" with [REDACTED] from GTL. They then proceeded to tell Kaleil that if they don't collect from [REDACTED] that Kaleil himself is under threat from them (for some reason). Then on December 29th at 10:15pm Prague time, I received a call from someone Kaleil gave my number to, who Kaleil said was suddenly and mysteriously in Prague "keeping an eye on things". The caller stated that as long "as the funds are delivered to KIT by year end, no one in my family will get hurt."

At this point I had a complete nervous breakdown, and collapsed. I stopped taking calls from Kaleil, filed a police report, and went into hiding after hiring full time bodyguards for my family at a cost of thousands of dollars a day, including installation of high tech counter surveillance and security systems. When I came back to NY I filed a police report at Montville Township Police Department, and they notified the FBI of the threat to my and my family's life at the moment and we were interviewed by them. At that point I felt compelled to tell the State Department. ([REDACTED])

[REDACTED] and is aware of this incident) I have protected Kaleil's name from all of this for the time being.

However, as you can imagine, I am at a loss for words. Kaleil, who I respect as an entrepreneur and CEO, can be a bull in a china shop at times, and this past week resorted to threatening allusions once again on the phone just this monday. I AM NOT GOING TO ADDRESS THE

PARAGRAPHS ABOVE, [REDACTED], BECAUSE YOU KNOW THAT THEY ARE RIDDLED WITH FALSEHOODS--EITHER DIRECT OR BY OMISSION. AS I SAID BEFORE, FRAUD/THEFT HAS SERIOUS CONSEQUENCES, AND WE ARE NOT THE ONLY ONES INVOLVED HERE. ENABLE HAS BILKED A LOT OF PEOPLE. I WILL DO EVERYTHING WITHIN MY POWER, AND WITHIN THE LIMITS OF THE LAW, TO ENFORCE KIT DIGITAL'S RIGHTS AND TAKE ACTION WHERE APPROPRIATE. THE "CLEAN-UP" DOCUMENT I THINK REPRESENTS A CONSTRUCTIVE STEP FORWARD.

-So when I say I actually don't want to make money on this deal anymore it is for this reason.. I wish you guys all the best and you can have all of my economics and hope this venture works out. I would actually feel sick to my stomach if I received a single dime from this venture, although I do sincerely hope you guys make money from it. I CAN CERTAIN UNDERSTAND WHY YOU'D FEEL SICK TO YOUR STOMACH IF YOU MADE A SINGLE DIME FROM THIS VENTURE. :-) THAT'S YOUR CONSCIENCE SPEAKING! THAT SAID, I WANT YOU TO HELP US SOLVE THIS PROBLEM, AND THEN WE ALL MAKE MONEY.

I tried to help everyone out because according to Kaleil, the entire ship would have sunk and everyone's existing investment would have sunk if I hadn't taken the actions I took by running towards the problem, jumping on the grenade and when the dust settles I assumed things would work their way out. Instead it appears that I am still personally being held liable for Kit's additional \$2mln exposure to Enable. Stemming from losses which I didn't generate. [REDACTED], WE ALL UNDERSTAND WHAT HAPPENED HERE, AND WHILE YOU STEPPED FORWARD TO HANDLE ENABLE'S PROBLEM, THIS WAS BOTH THE ETHICAL AND THE ONLY THING TO DO. IT CONTINUES TO BE.

Irrespective of whether I am [REDACTED]'s brother, this has nothing to do with me other than the fact that an investment I put you guys into is doing poorly. Yet somehow that logic doesn't apply when I am on the receiving end. NO NEED TO RESPOND HERE. YOU MADE IT A CONTINGENCY FOR KDGL TO PUT MONEY IN ENABLE LAST SUMMER, AND ENABLE IS RUN BY YOUR BROTHER AND A BUSINESS PARTNER OF YOURS ([REDACTED]) IN THE STATES. THEN THE MONEY DISAPPEARS NEARLY INSTANTANEOUSLY WITH NO AUDIT TRAIL.

I had to get all of this off my chest. It couldn't be locked up forever and I couldn't hold it in any longer, especially when I am being attacked for coming from "a very different ethical place"

I don't care about the side letter for my economics. All of the economics in it should flow to Maiden, who is a stand up guy. Just make sure he gets the contribution coming to him. THE SOLUTION NEEDS TO BE MUTUAL, AND WE ALL NEED TO WORK PRODUCTIVELY.

HERE'S THE GOOD NEWS: THE BUSINESS HAS MOMENTUM, AND WE HAVE THE OPPORTUNITY TO FIX THIS IN A POSITIVE WAY FOR ALL CONCERNED. I AM FINE FOR THIS EMAIL TRAIL TO STOP AND FOR US TO FOCUS ON THE SOLUTION. I RESPONDED ONLY BECAUSE I FELT IT NECESSARY GIVEN THE ACCUSATIONS MADE--MUCH LIKE YOU DID, [REDACTED].

LET'S AGREE TO DISAGREE AND MOVE FORWARD. THERE IS NO RUNNING AWAY FROM THIS FOR ANY OF US. I HAVE ALL OF MY SAVINGS IN THIS (OVER \$4MM AT THIS POINT DIRECTLY) AND MY BUSINESS LIFE RIDING ON IT, AND STEVE HAS HIS BUSINESS LIFE RIDING ON THIS TOO. LET'S MOVE FORWARD.

-----Original Message-----

From: Kaleil Isaza Tuzman <[REDACTED]>

Date: Wed, 25 Mar 2009 19:48:19

To: [REDACTED]; [REDACTED]

Subject: RE: Call

[REDACTED], thank you for the note. This is very healthy. It's best when working as a team that all the facts are on the table, so we can work together to reach a solution. I am going to bed momentarily, but look forward to our talk tomorrow. I finally feel like we can attack this problem together, now that everything is out in the open.

A few comments/corrections/additions to your original email:

- 1) The \$788k invested in KIT Media from the [REDACTED] apparently came from accounts of several [REDACTED] family members, including [REDACTED]'s uncle, [REDACTED] and [REDACTED]. As long as the different parties (accountholders) either request the transfer to Maiden Opportunity Fund, or give you power of attorney to [REDACTED] to do so, I am happy to make this transfer at any time.
- 2) [REDACTED] funded \$900k into KIT Media through his entity, [REDACTED]. I am unfamiliar with the context to this, including any investment in BESN et al. As long as [REDACTED] agrees to a solution here, I am fine with it. Perhaps Steve can help shed light on this or help solve this? Once we have an overall solution, we should bring it to [REDACTED]. I can help convince him to help, so long as it is fair and equitable to him. He has everything riding on this situation as well, because he has basically all of his savings in KIT Media and Enable, and many of his clients' funds in Enable.
- 3) [REDACTED] originally told me that the \$3 million invested by "Kustgatan, Ltd." in KIT Media was from a related family trust over which [REDACTED] had ultimate suasion, but something here has obviously changed (I don't need to know what), and now we need to have a plan for addressing concerns that Kustgatan may raise. I have a call with Kustgatan tomorrow morning.
- 3) The \$2.5 million that [REDACTED] funded into KIT digital in the Fall of 2008 and January of 2009 was not in relation to a December 31st agreement, but was funding Enable's debts to KIT digital. The December 31st agreement governed an additional \$2.5 million (actually \$3.5 million, but \$1.0 million was provided, with [REDACTED]'s help) to be funded into KIT Media by [REDACTED] and associated parties, and the consequent effect/upside.
- 4) Enable still owes KDGL \$2 million plus accrued interest, and we are awaiting an audit to ascertain the whereabouts of these funds and past trading history.
- 5) Kaleil raised \$2 million additional in March for KIT Media; [REDACTED] was supposed to raise an additional \$2.5 million minimum. He did not. (But [REDACTED] could solve that!)

Some of the other stuff below and above is not accurate (Vision requirement for KIT Media piece, for example), but it's neither here nor there. The gist is correct.

Getting some rest.

I am confident that if we put our heads together and are open and honest with each other, we can sort this out. I will bring all the tools I have (my personal real estate and KDGL treasury) to the table, and I think we all need to take that approach--bringing everything to the table. We are almost there.

Kaleil

From: [REDACTED]
Sent: Thursday, March 26, 2009 3:22 AM
To: Kaleil Isaza Tuzman; [REDACTED]
Subject: Re: Call

Agreed.

Here are the unemotional, fully disclosed facts we can all reasonably agree upon and are not subject to dispute.

-\$780k can be transferred to Maiden at a minimum from [REDACTED]'s existing contribution.

-I subscribed for a further \$900k in August 2008 which [REDACTED] partners put into KIT on my behalf and I invested into Blue Earth Solutions on his behalf.
On Dec 31st we structured it such that shares are in [REDACTED]'s name until a sale/change of control. All upside on that to go to me (which I will give to Maiden). We may be able to ask [REDACTED] to have the shares in Maiden's name as part of this (no guarantees but it shouldn't hurt [REDACTED] and Maiden gets to reflect it as part of his pnl)

- A further \$2.5mln was given to KIT at the tail end of last year- (\$1.5) And in early Jan another \$1mln pursuant to a December 31st agreement between [REDACTED] and Kaleil.

- a further \$1million in open market purchases was done by Maiden in furtherance of the December 31st agreement between [REDACTED] and Kaleil.

- Kaleil has raised a further \$2million from that \$3.5mln round to complete it into this current KIT Media-- but he is currently \$3mln short of raising the KIT Media SPIV which [REDACTED] will fill if I also give him personal guarantees, economics and assurances he won't lose this money.

- The \$3mln from [REDACTED] / KIT Media SPIV piece is necessary for the larger deal to close. i.e Roth, Vision Capital etc won't close without \$5mln from Kit Media.

- As part of the Dec 31st agreement Kaleil agreed to get [REDACTED] an advisory consulting agreement so he makes \$1.4mln on a sale of KIT Digital.

- So At least \$1million of the December 31st new shares should be able to be transferred to Maiden. Possibly \$900k from [REDACTED] and potentially the \$1.4mln advisory agreement.

-----Original Message-----

From: "Kaleil Isaza Tuzman" [REDACTED]

Date: Wed, 25 Mar 2009 22:34:16

To: [REDACTED]; [REDACTED]

Subject: Re: Call

Guys, I am fried. Suggest that we do call early AM EDT and everyone will be less emotional. By that time I will have document for you, [REDACTED]. Need to do a product integration overview (KDGL/ONSM) document right now for Vision, and need to prioritize that--as a gating variable for all of this to work out.

Suggest you guys sleep/decompress. We'll get through this.

[REDACTED], my intent was not to offend you; was put in a very challenged position by you telling Steve there were shares to transfer that there are not, and I lashed out. Apologies. We need to stick together.

7:30am EDT via Skype? Document will be in hand by then, [REDACTED].

K

Kaleil D. Isaza Tuzman
[REDACTED]

-----Original Message-----

From: [REDACTED]

Date: Wed, 25 Mar 2009 17:13:19

To: [REDACTED]; Kaleil Isaza Tuzman [REDACTED]

Subject: Re: Call

I'm free now.

Won't be on skype later. Ill wait to see what "upside" kaleil is proposing for me since it will flow through to you [REDACTED].

-----Original Message-----

From: [REDACTED]

Date: Wed, 25 Mar 2009 17:43:20

To: [REDACTED]; [REDACTED]

Subject: RE: Call

i have to run to a cocktail party in 15 min. so can we do the call in a couple hours?

-----Original Message-----

From: Kaleil Isaza Tuzman [REDACTED]

Sent: Wednesday, March 25, 2009 5:40 PM

To: [REDACTED]; [REDACTED]

Subject: Re: Call

I can't do Skype, but can do a confcall.

Can do a Skype session in 90-120 minutes.

-----Original Message-----

From: [REDACTED]

Date: Wed, 25 Mar 2009 16:33:50

To: Kaleil Isaza Tuzman [REDACTED]; [REDACTED]

Subject: Re: Call

Can we get on a skype chat session?

I'm happy to transfer 100 percent of my economics to [REDACTED].
Hope you guys do well on this deal.
I have been helpful in more ways than you can appreciate, without compensation.

-----Original Message-----

From: "Kaleil Isaza Tuzman" [REDACTED]

Date: Wed, 25 Mar 2009 21:12:41

To: [REDACTED]; [REDACTED]

Subject: Re: Call

Me too. Ready for a call.

I am not trying to be difficult.

Bottom-line (to make you feel better, [REDACTED]):

1) The new set of agreement puts everything I have on the line: Cannes and Colombia properties

2) I am totally supportive of a transfer of KIT Media shares to Steve, for anything/everything available

3) I am creating upside for you in current set of documents, [REDACTED].

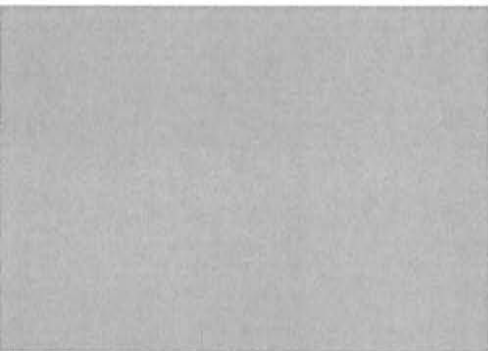
I like you, [REDACTED]. That doesn't change my view of your way of doing business, but that doesn't matter.

Suggest we get on the phone and discuss.

Otherwise, I will keep working through the docs from my side.

We need to get this solved, for all of our sakes. No more bullshit.

Kaleil



-----Original Message-----

From: "[REDACTED]"

Date: Wed, 25 Mar 2009 15:55:39

To: Kaleil Isaza Tuzman [REDACTED]; [REDACTED]

Subject: RE: Call

i can do call - tell me when

-----Original Message-----

From: Kaleil Isaza Tuzman [REDACTED]
Sent: Wednesday, March 25, 2009 4:51 PM
To: [REDACTED]; [REDACTED]
Subject: Re: Call

I figured you'd resist it. :-)

I am actually not emotional about it at all, just trying to be efficient. Listen, we need to have thick skins. You know what I think about all of this, [REDACTED], and Steve does too. No point in us getting sensitive.

Let's get on the call and work it out. I am working on a side letter document for [REDACTED] and a collateral agreement for [REDACTED], and don't have time for long emails back and forth. :-)

Am off with ONSM counsel now, so ready to talk when you guys are.

Want some GOOD NEWS? Vision seems ready to close! Next call at 6pm with them, just some last T's to cross on the ONSM acquisition.

Keep the faith, guys. No being a girl!

-----Original Message-----

From: [REDACTED]
To: Kaleil D. Isaza Tuzman
To: [REDACTED]
ReplyTo: [REDACTED]
Subject: Re: Call
Sent: Mar 26, 2009 12:07 AM

Since Kaleil believes we are coming from "very different ethical places in life" And that I will "resist the call" I anticipate this call will end badly. I suggest we have a written email conversation between the three of us where each of us gets to unemotionally lay out our point of view before the call which will be quite emotional without the plain facts articulated.

-----Original Message-----

From: Kaleil kcp
To: [REDACTED]
To: [REDACTED]
ReplyTo: Kaleil kcp
Subject: Re: Call
Sent: Mar 25, 2009 3:49 PM

Great. I will let you guys know as soon as I get off this call with counsel. Could easily be 30-45 minutes.

We can use [REDACTED]

-----Original Message-----

From: [REDACTED]
To: [REDACTED]

To: Kaleil D. Isaza Tuzman
ReplyTo: [REDACTED]
Subject: Re: Call
Sent: Mar 25, 2009 11:47 PM

Am available.

-----Original Message-----

From: [REDACTED]
To: Kaleil kcp
To: [REDACTED]
Subject: RE: Call
Sent: Mar 25, 2009 3:40 PM

I can speak in 20 min - 4 pm ?

-----Original Message-----

From: Kaleil Isaza Tuzman [REDACTED]
Sent: Wednesday, March 25, 2009 3:37 PM
To: [REDACTED]; [REDACTED]
Subject: Call

[REDACTED],

Suggest that Steve, you and me get on the phone and discuss through the current situation. That way we won't have things lost in translation. We all have the same objectives, so together perhaps we can sort things through.

Can we get on the phone a bit later this afternoon EDT? Let me know your availabilities.

Thanks,
K

Kaleil D. Isaza Tuzman

[REDACTED]

[REDACTED]

[REDACTED]

