

Ricky/Francisco's Sales Transaction

April 7, 2003

Memo

To: Misters -----and -----
Solon Francisco Owners

From; Mr. Arthur A. Fletcher & Ricky Harrison

Re: Response to your letter date -----2003

Gentleman:

I had no intention of writing a 3 page plus memo when I started to put my thoughts and intentions regarding this matter on paper. But guess what? A 3 page plus memorandum is what I wrote.

So let me tell you why its that long. I'll do that by telling you where I stand today as we try to complete the sales transaction involving Salon Francisco; First you should know that Ricky Harrison is my Grandson and that I am loaning him the money needed to purchase Salon Francisco.

I'll explain the extent of my involvement by saying this; 1) Mr. Ron Conrad, the branch manager of the Allfirst National Bank, that you called at my direction which informed me that you called him. 2) that your express purpose was that of inquiring about my loan application at his bank to buy Salon Francisco, 3) to determine if his bank was preparing to make the loan that I needed to help Rick purchase salon Francisco from you its current owners. And 4) you were told that the Allfirst had every intention of making the loan. In other words the answer you got was **definitely yes**.

However, what he didn't tell you is this; That since you the owners, namely the parties who are eager to sell the business were recently involved in a legal action before the Federal Bankruptcy Court. That fact caused the bank to conclude that there is no market for Solon Francisco in the Columbia Maryland area, or that you were less than successful as solon operators.

However, Ricky with my backing was able to assure the bank, the lender that the market for Salon Francisco does exist in that area inspire of actions against you the owners before the federal bankruptcy court. In spite of their reluctance we were still able to convinced them.

Therefore, Allfirst was and still is willing to make the loan. However, its not willing to do so until you, the current owners of Salon Francisco, produce a document, signed by a authorized official of the court, where the Bankruptcy case was tried, that does the following:

“Make plain that either you satisfied the amount claimed in the suit and/or that there are no claims against Salon Francisco outstanding.

Gentlemen, I have banked at Allfirst for a decade or more and I know my banker on a first name basis. Be that as it may, the items mentioned above are critical requirements if I am to secure a business loan from that particular financial institution to purchase the business in question. However, that’s not all.

My attorney, who is also a trusted advisor, was ferrous when he found out that you hadn’t leveled with Ricky or me about your bankruptcy problem before the courts. And, since I am loaning Ricky the money to buy the business his anger went off of the charts; Why? Because both my wife and me are seniors, I am 78 and she is 80 years of age. Therefore, he knows that were are risking our life’s savings and our credit rating too, in order to Provide the money Ricky needs to buy Salon Francisco.

That fact alone should have caused the two of you to level with all of us about you financial problems and the bankruptcy court action in particular.

Thus, he’s eager to file a court action against the two of you for not being able to complete the transaction on the date agreed to in our original contract. Why again? Because you were in bankruptcy court on that date and couldn’t complete it at the time because of that fact.

But his anger doesn’t stop there; My attorney insist that you were trying to pull a “fast one” on us and thereby leave us holding the bag; holding the bag for financial obligations that you the current owners had failed to inform us about.

He feels that way for this reason; Given that you are citizens of a foreign country, you could take the money and run. By take the money and run he means return to you home land as you are currently planning to do; and once there our chances of recouping any of the money paid for Salon Francisco would have been slim to none. Thus, we would been left holding the bag for bills outstanding that you had deliberately concealed or withheld from Ricky. Thus, he would have been forced to pay them in order keep the doors open and remain in business. If I were in my attorney's place, I would be eager to file a suit against the both of you also;

Why again? Because his fee is \$250 per hour. Thus he's eager to go to court so that he can run up some billable hours, doing legal research, preparing a case and appearing in court on our behalf *at your expense*.

In other words, in such a case, once the court hands down a decision, in our, the plaintiff's favor; and make no mistake about it, that could take months to say the least, our claim against the two of you, would include my attorney's fee and court coast as well.

Unless I have completely misjudge your intelligence, you don't want that to happen. You don't wont to stand by and wait for the outcome of a court battle before completing this sales transaction. However, you should make no mistake about it, before I allow the two of you to walk with my \$10,000, file a court action is exactly what I'll file if you attempt to sell the business to another buyer, and or confiscate the \$10,000 that we deposited in good faith, on the purchases of your business.

In other words when I gave Ricky the \$10, 000 in question, I was assuming that we were dealing with sellers who were both fare and square plus friends to boot. However it appears that I my have misjudged the both of you. Nevertheless I am hoping that I was right the first time. .

Because my confidence in the both of you has been shaken, to say the least, you should know that I have done the following: Rather than pay any additional cost to buy the business. I have instructed my attorney to proceed to prepare the court action. And since we now know that the two of you were broke, and couldn't pay your business expenses nor your legal fees, you did the following; You actually used the \$10,000 I advanced as a down payment on the business to cover those coast.

Therefore, I instructed him to include language to that effect in our action against the two of you should it become necessary to stop the sale of Salon Francisco to another buyer. Thus my plea would be this; that you be required not only to pay it back in full, plus interest at the market rate for the time that you have used our money as you saw fit.

I am satisfied that the above two paragraphs makes plain my intentions should we fail to complete the sales transaction in question on the original terms that were agreed to. Thus, I have said enough to make my point.

So let me stop here and suggest this; the best thing you can do now is back off. Stop trying to frighten people, quite trying to play hard-ball, and do the following; provide me with all of the pertinent information that the bank requires and that I need, to complete the loan application process. In other words, at this point the bank is in charge. However, the minute Allfirst completes the process, they have already said they will loan me the money needed to complete the sale of the business as was your original intent.

My final words are these; Although I am repeating my self one more time: Please know this, that I have no intention whatsoever, of paying all of the increased cost that you have added to the sale of Solon Francisco in your most recent letter addressed to Ricky.

Let me repeat once again; Had we completed the sale on the date specified in the original sales contract the following was true. **I had the \$16,000 in my personal saving account at the time and would not have had to seek a loan to purchase Salon Francisco. In other words, I didn't need the loan that I am now seeking to complete the sales transaction.**

At that time the amount due and owing was \$16,000.00. However, the transaction was delayed because, unbeknown to us, you were in Bankruptcy court, involved in a action concerned with Salon Francisco. Thus, again, you couldn't have sold the business on the date specified in the original contract had you tried. Therefore you breached the contract, at the end of the business day on that very date.

Therefore, from that date to the present, any added coast connected to the maintenance and management of Salon Francisco occurred, while you still owned the business. Thus, unless the facts and the record contradict that

understanding, on my part, those cost came on "your watch" and not my grandson's, the "would be" new owner of Salon Francisco's.

Therefore, you should know this; the very minute that my personal banker at Allfirst calls and informs me that I can come in and sign the documents authorizing the loan I'll do so. At that point I'll deposit the funds in my personal account, and do the following: I'll immediately pay you the \$16,000 outstanding that will complete the transaction.

Until then I'll suggest the following; Let's both cease and desist from writing any additional threatening letters and allow the process to take its course.

Should you feel the need to communicate with my direct, concerning the content of this memo; I can be reached at the following phone number 202-554-0573.