

I, Jeffrey L. Buchanan, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

I have known Lisa Frank, both personally and professionally for more than twenty years. Two Target buyers first introduced me to her. At that time, she had been selling Target Stores quite successfully, and was well regarded there for her creativity and very saleable product. Her business grew at Target and at many other major retailers throughout the country over the next several years. She was the driving force behind the company. She made the sales calls and negotiated the terms. She was good at product design. She was great at sales and was the charismatic force behind her Brand.

I am the principle owner in a sales and marketing firm, J.L. Buchanan, Inc., that specializes in selling and developing products for Target. During the early 1990's, Lisa asked my firm to represent her at Target. She and I worked out the terms and our business relationship began. At this time, James Green was very much in the background at LFI. He was helping her with some operational and personnel issues, but that was about it. During the course of the next few years, James became increasingly more visible. We still had contact with Lisa from a product perspective, but James became more obsessed with controlling the details.

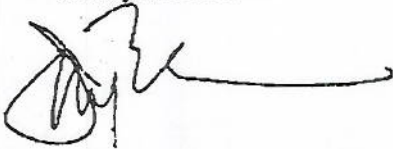
Our business with LFI grew from 3.5 million to almost 10 million dollars over the next several years. James kept Lisa further and further away from the customers. The product continued to be great but LFI's relationship with Target became more and more adversarial. James would be argumentative with my buyers and the relationship soured. Rather than damage our relationship any further with Target we were forced to terminate our contract with LFI.

I kept in touch with Lisa over the intervening years. We would share personal stories and general business topics. During this period, I watched the decline of LFI's presence at Target. It appeared that fewer and fewer products were being sold in. Keep in mind; at the time of our resignation, LFI was placed in four separate departments. One by one they disappeared.

Eighteen months ago Lisa called me to see if we would consider working with her again. I have always enjoyed working with Lisa and selling her products so I agreed under one condition, that James Green would not be involved. I knew we could not be successful if he was involved. During this time we were able to re-list her product in two departments, and have grown her business to over 2 million dollars.

James has not been involved in this process. It could not have happened without Lisa's leadership. James and Rhonda are a toxic presence at LFI. The company will flourish without their involvement and fail if they stay. With Lisa at the helm, LFI will once again be a great company. It will prosper and bring vitality to the city of Tucson.

September 29, 2005
Jeffrey L. Buchanan



September 29, 2005

I, Lisa E DeCristofaro, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare the following:

I have worked for Lisa Frank, Inc from February 2005 to the present. My job title is National Account Manager in a Field Sales position. As to whom I report to, I was never advised as such. Initially, I was interviewed by Julee Dawson, followed by Rhonda Rowlette and James Green. After the job offer was accepted, I did not receive direction as to whom I reported. I directed all correspondence to Rhonda and James initially as they were the two contacts initiated in the interview. Shortly thereafter, I received an email from Rhonda that all sales issues should be directed towards James. This was the only direction given. Any inquiries I made to James were either responded to with another question or an unrelated answer or not responded to at all.

Finding frustration, I then directed correspondence to Lisa Frank. This evolved in to working together on various account calls, buyer presentation preparation, etc. It was very apparent that when I involved Lisa, I got immediate action. As such, I continued to direct correspondence to her. An occasion arose in which I copied James on an email as well as one of our reps. I was strongly advised on an email by James never to copy him when a rep was also on the address. This, combined with the lack of response and support, pushed me to involve Lisa more and more in order to get things done.

Prior to my joining Lisa Frank, Inc. I was employed by Mattel for 19+ years. My last position at Mattel - Senior Account Executive. Coming from a company in which my counterparts at Mattel also had such seniority, I was struck by the significant turnover of employees at Lisa Frank, Inc. I have never observed or heard of a company with such dramatic turn. My observation is that this is solely a derivative of the atmosphere created by James Green and Rhonda Rowlette. For those that have left while I have been employed, this is noted as the reason. I was provided an employee extension list when hired. This list held 49 names, including Lisa, James and Rhonda. In the 6 months I have been employed, 23% of the company has quit, that I am aware of. I believe the figure is higher. Since June 2005, the Sales Support Staff has turned completely. It is exceedingly difficult to perform and identify the information you need when no one knows because everyone is new. Because of the environment created by Rhonda and James in the Tucson office, our performance and success in the field is prohibited. There is no continuity.

As to the sales force itself, only one Sales Manager is left since I was hired. One was fired, the others quit. Again, attributed to environment created. This management style exhibited by Rhonda Rowlette and James Green has prohibited the company from being as successful as it could be due to this excessive turnover rate. Customer confidence is low at best due to the company turnover. The buyers are hesitant to partner as they have seen so many National Account Managers come and go. They specifically ask not to be involved with James and Rhonda.

While not in the office on a day to day basis, I do not have the day to day observances that one would in Tucson. However, the tension is palpable even in the field. I am aware that because I began to work more closely with Lisa that internally James and Rhonda determined that I took sides. The reality is I work with those that enable me to accomplish my goals in the field. James became more hostile on emails regarding account activity. He also questioned my ability to my rep. My health benefits were then cancelled. Conversations on the office lines with my counterparts were recorded and played by Rhonda in her office. It is against Mass State Laws to record phone conversations without advising the participant at the onset of the call.

I do believe that going forward, Lisa Frank, Inc with Lisa Frank at it's helm, could be a wonderfully creative and energetic working environment offering a strong product line to our customer base. It is with this reason in mind that I stay. I was offered 3 other jobs since I joined this company, as I was aggressively pursuing new employment when I interviewed with Lisa Frank. I turned these down in looking towards a future with Lisa Frank.

Lisa C. DeCristofano
9.29.05

I Betty Hack, being first duly sworn under perjury of the State of Arizona, do hereby declare:

I have been employed by Lisa Frank, Inc since Oct 1, 1998. My current job title is General Manager Hong Kong. I report directly to Lisa Frank & James Green. The attached recommendation letter sent to the HK Immigration Department from Rhonda Rowlette, our VP list all other positions I've held while employed by LFI over the past seven years. It also states some of my strengths and character background. I am very loyal to the company and believe in the brand and its image so therefore I feel a great sense of responsibility to continue to contribute to the companies success even during these difficult times although I have been very close to resigning since I feel unable to perform my responsibilities now to the level I have in the past due to the present conditions at LFI.

For the most part I have enjoyed a good working relationship with all parties involved in this case therefore my decision to come forth now has not come lightly. I only write the declaration now after I recently witnessed first hand some of the destructive actions that are currently taking place at LFI mostly contributed by the actions of James Green and Rhonda Rowlette but also with the help of Julee Dawson. These evil actions are causing great stress throughout the organization and has caused several good people within our company to resign while others have recently stated they are searching actively for new employment where they can perform their daily tasks without constant badgering or intimidation from their upper management.

The loss of these and other potential employees that are being driven away, will definitely cause great hardship on the companies ability to continue to develop and deliver products to our customers. Even if we are lucky enough to find quick replacements, I don't feel they will be able to perform under the conditions and atmosphere that is currently in place. If James and Rhonda are allowed to remain at Lisa Frank, Inc throughout the settlement process, LFI will stand to loose many more talented and productive personnel including some of the key designers and graphic artists that have helped to make Lisa Frank, Inc as successful as it is today. This is because of the anti Lisa campaign they have initiated and the intimidation and badgering they are doing and/or supporting when they find that anyone has chosen to continue to work with Lisa. Emails are being monitored and phone calls are being bugged so they are aware when anyone has communicated with Lisa. They are suggesting to employees that they refuse to work for Lisa. We must immediately improve the working conditions and stop the management by intimidation tactics and the wedges that are being driven at each level between staff as they are being asked to choose sides and are being constantly badgered, degraded and threatened if they have chosen or continued to keep working with Lisa during this difficult time.

Recently I returned to the USA to prepare for my move to HK for LFI. While in Tennessee picking up my granddaughter who was to return with my husband and I, I received an initial call from Rhonda one evening stating that Lisa was going to call a board meeting and terminate James and her and take over the company herself. She stated

that the purpose of doing so was so that she could run the business down to a level where she would not have to pay James much for his 49%. Rhonda stated that she would pay him almost nothing for his shares and then sell the company so she could take all of the profit herself.

When I returned to Tucson a few days later, I went to Rhonda to discuss the situation as I was upset that all of this was happening especially just as I had recently signed a contract and agreed to move to HK for LFI to the role of General Manager. I told her they should have told me ahead of time as I would not have agreed to the move had I known then. Rhonda stated that she didn't know anything then nor did James. Rhonda stated that no one would work for Lisa and that the company would not survive. She stated that I couldn't trust Lisa either and that I would end up with nothing even though I have a contract. I stated that I could not comprehend why either James nor Lisa would want or stand by and just let the business deteriorate after so many years in the business and after so much success. Rhonda stated that it wasn't James that it was all Lisa's doings.

I complained that it had become extremely difficult to perform my job and that we were getting further and further behind on production. I told Rhonda that I was no longer receiving support or feedback from James, that the only support I was getting these days was coming from Lisa. Rhonda stated that it was because Lisa was telling everyone not to work with James and I told her that was not true. Rhonda stated that it was also me who wasn't communicating with James and that he was still very upset with me after the email I had sent to him and Lisa requesting they keep their personal problems and differences away from the business relationship and to decide who was going to do what and not to ask any of us to deviate from that. Rhonda stated he also thought I set him up over an issue with getting Lisa involved in operations after I had not received Po's for a while and bank payments & related expenses for HK office were being held up. I told her I only involved Lisa after I was unable to get results from her or James. James had changed the procedures and was demanding to review and sign off on all Po's and financial related items. Once Lisa became involved, I received over 70 Po's that had been held up, some of which were critical to production.

Rhonda further went on to say that once her and James were fired that Mike Richmond our Controller was not going to stay with LFI either. She stated that it was James, her, Mike and myself that had been running the company for the past few years at least and that without the other three of them that I would not be able to go it alone. She said that the business would fail and that no one was going to work for Lisa. She said that Mike was not going to stay on board and that I should speak to him myself concerning it. I reminded her that I have a contract and she said it didn't matter that I could just quit that I was not going to get any of it anyway, that Lisa was going to "screw me", and that I needed to remember who I could trust and who I couldn't. I became very angry and stated that she should just fire me if I was not going to be allowed to "continue to do my job" as they had insisted be added to a line in my contract. She laughed and said that she would not fire me but she would suggest I just resign. I told her I could not resign that I had a contract and she said it didn't matter that it was not anything that could be held against me. I mentioned the apartment rent and she said it was the companies

responsibility and not mine, that I could not be held liable. I told Rhonda that my contract also stated 60 days notice and she still said that it didn't matter, there was nothing the company could do to enforce it if I just resigned. Julee Dawson entered the room during the end of our conversation and started suggesting excuses I could give to Lisa for my immediate resignation. One was that I could just say I wanted to be a stay at home grandmother since I had told them that before when I was disappointed with the way things were being ran and the lack of support I was receiving. My daughter who is in the US Army was returning to Iraq for another year and I was going to be taking over custody of my granddaughter while she was there. Rhonda then stated that I couldn't use any of those excuses that in order to be effective, I needed to state that I just couldn't work with Lisa any longer. I left LFI and discussed the situation with my husband and wasn't even sure I would board the plane to HK the next day or not.

After a sleepless night of going over the whole ordeal, I realized that although I have really tried to stay out of picking sides or become involved in the situation, that I can no longer do so. Too many destructive actions are taking place and the business and its employees are suffering because of it. Lot's of peoples lives are being effected besides James, Lisa's and Rhonda's. We have about 100 employees some of which are being unfairly mistreated and all of which are insecure with their jobs right now. I cannot sit back and watch the business be pulled down or collapse therefore I need to become involved and to state the facts and let them speak for themselves.

1. Lisa is the only one who has chosen to move forward in all of this mess and is working with product development and the artists to get me what I need. She is also working with other personal in other departments to insure the continuation of the business, after things were being held up or purposely delayed. I am often on the phone or computer with her until 2am her time going over things.
2. James has chosen to made things more difficult by changing procedures and demanding to approve all Po's and finances. His holdup of some of these have caused delays and hardship. James is not providing art feedback although art is being sent on the server and is on the approval table. He has been supplied the same art list that Lisa has.
3. James is questioning changes that were made to final products he is receiving even though those changes were made by him while he was in HK a few months ago. These changes were made without Lisa's approval, although Lisa has always been in charge of product development and layouts. I feel James is doing this to discredit my performance and too suggest that I made the changes because he is upset that I am continuing to work with Lisa.
4. Rhonda is suggesting people resign if her and James are terminated and that the excuse that you can't work with Lisa is the best one to use. She is stating I need to know who I can trust and who I cannot. She told me she only trusts James to give her what he has promised over the years. James also promised me a "big reward to stay on board" when he was last in HK. I was contemplating leaving LFI then due to all of the stress and mismanagement. He said that he couldn't tell me what exactly was happening but that major changes were under way and that there may be a change of new owners. James further stated that I had put in far too much

- hard work and effort to walk away from all of it now, that I was only one of a few who would receive a huge reward for contributing to the success of the company. He stated that we could all walk away and not have to work again.
5. James, Rhonda and Julie's behavior has become very destructive with the constant badgering and belittling of workers who have chosen to continue to work with Lisa.
 6. Rhonda stated to me just before I returned to HK that everyone was going to know Lisa's true colors when she fired her. She said it will be front page news and that no one would ever want to work for Lisa Frank again. She stated that her and James had already purposely allowed the information from the proceeding be made public record and that Lisa couldn't do anything about it, that her lawyer was too stupid to request the case be sealed. The Tucson Citizen ran a article immediately which was at best one sided and designed to provide negative publicity to the companies founder.

The citizen article also stated that "Lisa has taken actions creating a destructive and demoralizing atmosphere at the company telling key people that James would be fired and that they would be divorced and that workers should choose sides and consider which side their bread was buttered on" In response to this I would like to say that in the very beginning only both parties requested that I work with them directly on some things and to leave the other party out to avoid some conflict. At first I tried this but it didn't work since my emails were being read and the complaints kept coming. This was when I sent the email to the both Lisa and James asking them to keep the business relationship separate. Lisa immediately called me and apologized stating that she never intended or expected for me or anyone to choose sides and that she was committed to carrying on with the business and would do everything she could to help keep it going. James responded only through Rhonda which was the following morning stating "he was upset that I set him up" he started changing procedures and holding Po's and payments which made things even worse.

The paper article also mentioned that "Lisa had requested the outside computer consultants to provide her with access to all employees e-mail accounts and she has used this access to monitor employees communications, delete company emails and redirect company emails which has created a siege like atmosphere. To this I must reply that it is a known fact throughout the company that James has had this very same access for years and has being doing this behavior all along. I personally have had emails read, deleted, forwarded to others with replies and I have complained to both Rhonda and James many times concerning it as I felt it was dangerous and it could actually cause me to miss something important that I may skip over thinking I had already read it. Rhonda asked me at the time how I could tell someone was reading it and I told her it was because the emails were opened and I had not read them. I told her whoever was doing it should at least close it as unread and she told me she didn't think you could do that and I showed her how. Rhonda admitted to me then that it was James that was doing it at the time. I was also told by several IT managers over the past years that this was the case and that phones and offices were also sometimes bugged at the request of James. This has caused a destructive, intrusive and siege like atmosphere for years and it wasn't Lisa doing it

then. Then it was considered okay as it was just a tool to make sure no secure info was leaking out or no security issues existed per Rhonda.

James management style is abrasive and he often leads by intimidation. He is often abusive to some of his employees by his language and actions. He will never take someone to the side if he has an issue with them, instead he will scream and curse and belittle them in front of everyone. Whenever he hasn't liked someone or they have crossed him in some way, he makes their work life miserable by his constant abusive comments and harassment. Usually they then resign and he moves onto someone else that he can intimidate. Even Rhonda has often been the receiver of his abuse and many have wondered why she has taken it for so long. He sometimes has been heard screaming at her from his office to hers and has been heard calling her fat or stupid or belittling her. Now over the past year as Lisa and James relationship has become sour, Rhonda and James have become more of a cohesive unit. Rhonda will always follow James lead even if its detrimental to the companies best interest.

We have lost a lot of talented artists and sales staff and other key employees over the years due to this unprofessional type of behavior. The atmosphere was so bad about two years ago that James had Rhonda send out questioners to all of the workers because the turnover was so bad and the productivity was so low. They were asking things like what would make your job better etc. I remember afterwards that James spent over a month in his office and wouldn't look at any art until after the artist had gone home for the day because several within the art and development departments had stated how they felt concerning his treatment of them which was often derogatory and intimidating and they complained about his foul language and his treatment of not only them but their co-workers as well. I have experienced the same type of behavior against employees here in HK too. I had 6 people resign in a two week period after he visited while I returned to the USA.

Last Saturday on my way to the airport to return to HK, I stopped in the office to pick up product to bring back with me. There was only one artist working and one person in product development. Rhonda was there so I asked her why no one was working when we were so far behind the schedule? I asked her how can we possibly ship on time when we couldn't get all of the art we needed. I was again told that it was because Lisa is handling all of the art and not James, that no one would work with him or Rhonda. I told her that I had placed art on the server from HK and was not receiving any feedback from him only Lisa. I told Rhonda that I was leaving for HK and I was told good luck that it was going to be difficult doing it alone. After I arrived in HK I received an email from Rhonda that was totally different then all of the responses I had received while there. It was a complete turn a round from our meetings which never mentioned the realization of how bad things were getting nor did she offer any type of support. All I heard while there was how "our hands are completely tied and Lisa is in control of everything" but she also mentioned while there that until Lisa is allowed full control, she did not have the authority to hire nor fire anyone. The email sent by Rhonda was totally designed to try to document and bring me into the conflict and to supply blame all to Lisa and myself and only then was any mention made that they were willing to help me with some things, "if I

would allow them to" I replied correcting the twisted words into what was really said and reminded her that I provided her and James with the same outstanding art lists. Rhonda then replied that I was not telling the truth but she understands since Lisa is reading everyone's email. She later emailed after no further response from myself, that what she was talking about was in fact different products. Nothing to date has been received from James since then, still only Lisa is approving and releasing artwork.

What I have witnessed this month is that actions are showing that answers and support is coming from Lisa who seems to be content on moving forward and continuing with the business while the destructive behavior is coming from Rhonda, James and Julec. To hold Po's and payments and to suggest that your top management resigns if Lisa is successful in removing James & Rhonda is not productive to the companies best interest or success, nor is intimidating employees who follow Lisa's instructions. Currently the companies image and success is being systemically destroyed by the conflict and wedges being driven and the No Lisa involvement campaign. I cannot see anything more then failure if things are allowed to continue as they are. There are no clear lines and James and Lisa cannot work together at all. More and more good employees are being intimidated or harassed for working with Lisa, although she is the only one willing to continue with the business at the moment. Something must happen quickly to stop the destruction or there won't be anything left of the business but the brand. The brand image will be tarnished with all of the bad publicity and with our inability to deliver on time to our customers. Lisa is great with Sales, but we must be able to deliver or our customers will go elsewhere.

All of these issues are effecting the lives of many people, not just James, Lisa and Rhonda. We have many good dedicated employees that have been with the company for years and have dedicated a good part of their lives to the companies mission and success. We believe in the brand and the positive messages it sends to young girls. In my opinion, we need to have some new leadership to take the immediate place of James and Rhonda while this case is being settled since their current actions are nothing more then destructive and disruptive to the companies ability to continue. As Lisa is very involved and actively continuing to provide support and feedback I feel she should be allowed to continue with the business while everything is settled. Her strong sales ability and her direction and feedback concerning product development is crucial during this busy timeframe. Lisa has always been the driving force behind product development working with the designers to approve component selection and layouts and giving final approval for production. Her current attitude of lets work together to get it done is allowing us to push forth, although at a slower pace because some employees are too intimidated to work with her currently in fear of retaliations from top management. For the health of the company I truly hope the court will allow this while the settlement takes place. So many peoples lives are effected by the current situation and the outcome.

Dated 9/30/05
Betty Hack
By Betty Hack
General Manager HK, Lisa Frank, Inc.

August 4, 2005

To Whom It May Concern:

Betty Hack began work at Lisa Frank, Inc., at its Tucson, Arizona, USA, Headquarters on October 1, 1998, as its Shipping Coordinator, responsible for all shipments to the Company's largest customer and the world's largest retailer, Wal-Mart. Due to Ms. Hack's exceptional abilities, she advanced very rapidly to Shipping Manager, responsible for all domestic and international transport, then to Warehouse Manager, overseeing all Shipping, Receiving, Production, and Quality. From there she went on to add responsibility for the production arm of the Creative Department as the Art Production Manager, then finally to Product Development and Manufacturing Manager. Ms. Hack's experience in all of these positions uniquely qualifies her for the position of General Manager - Lisa Frank, Hong Kong.

Prior to Ms. Hack's work with Lisa Frank, she had many years experience in manufacturing in plastic injection molding and in merchandising, which helped tremendously in doing her work at Lisa Frank. At Lisa Frank she gained the art and printing experience that is so critical to the General Manager - Hong Kong position.

Besides Ms. Hack's natural intelligence, her extraordinary work ethic, commitment, high standards, ability to motivate and manage staff have caused her to be very successful in every position she has held at Lisa Frank and are responsible for her rapid ascension at the Company. While it was impossible to find anyone outside Lisa Frank to fulfill this role, even within Lisa Frank, Betty is uniquely qualified to fill the position of General Manager - Hong Kong. Few have had the breadth of experience and knowledge Betty holds. When you add this experience and knowledge to the personal characteristics she has, there is only one person even inside Lisa Frank that is prepared to discharge the responsibilities of this job, and it is Betty Hack.

Over the last several years we have made several attempts to hire a General Manager from local talent. In some cases we even hired candidates that we hoped had enough of a background that we could train to do the job. Unfortunately, that was never the case. There is always far too much Lisa Frank specific knowledge and experience that is required besides specific industry experience that candidates outside Lisa Frank are unable to learn well enough to discharge the responsibilities of the position.

We have many employees now, and in our 26 years in business we have had many more. Betty Hack ranks as one of the top in all of those years. She is truly exceptional. If Ms.

Hack were unable to serve Lisa Frank in Hong Kong as its General Manager, it would cause our corporation to suffer extreme hardship or even failure.

Please do not hesitate to contact me directly if you have questions. My direct dial number is 520-547-1333 and my email is rrowlette@lisafrank.com

Sincerely,

Rhonda Rowlette
Executive Vice President

I, Kirk M. Hallam being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

1. I am an attorney licensed to practice law in the State of California since 1982. I reside in Los Angeles, California, and am a graduate of the University of California at Los Angeles (1978) and the Harvard Law School (1981).
2. From approximately 1991 to 2002, I represented and advised the company "Lisa Frank" (hereafter referred to as "LFI") as well as its founder (whom I shall refer to here as "Lisa Frank"), in various capacities. I represented LFI in copyright and trademark cases in Tucson, Los Angeles, New York, Philadelphia and Miami, primarily seeking to protect the copyrights, trademarks and traddress of LFI from infringement by a plethora of "Lisa Frank copycats." I also advised LFI and Lisa Frank during this period of time in connection with a number of major business transactions undertaken or attempted by the Company, including but not limited to the licensing of LFI characters for use in video games, the acquisition of a company jet, the construction of the new LFI headquarters, and the negotiation of a joint venture agreement with an entertainment management and production company in Los Angeles for the exploitation of LFI characters in motion picture and television productions.
3. Throughout the period of my representation of LFI, I communicated extensively with Rhonda Rowlette, James Green and Lisa Frank. I also maintained a social relationship with James and Lisa, in Tucson as well as in Los Angeles during their regular visits and during vacations in places such as Hawaii and Carlsbad, California.
4. During the course of my representation of LFI, virtually all of the LFI employees as well as countless other persons involved with LFI such as licensees, buyers and sales reps, told me in one way or another that Lisa Frank was the person whose creativity, vision, personality and drive had made the Company what it was, and that it was her relationships with the major mass market retailers, combined with the unique look of the products and packaging she had originated, which made LFI such an enormous financial success.
5. At the same time, LFI employees and others doing business with LFI informed me on numerous occasions that James Green was abusive, arrogant and extremely difficult to work with, a fact to which I also can attest based on my own extensive personal experiences and observations of James in the course of my litigation and business negotiations for LFI.
4. The last matter on which I provided legal or business advice and representation to LFI was the attempted negotiation in late 2001 of a joint venture with the major entertainment management, licensing and production company in Los Angeles known as "The Firm". Lisa Frank and James Green had been approached by representatives of the Firm who were interested in utilizing their relationships and experience in the entertainment industry to exploit the various LFI characters in animated motion pictures and television programs to build entertainment content and brand value based on these characters. Rhonda Rowlette called me in about September of 2001, and said that Lisa Frank had requested that she seek my advice in negotiating the joint venture type agreement that LFI wanted to make with the Firm to substantially expand the business of LFI and its characters into the entertainment field. Because the focus of my legal practice outside of LFI was in representing motion picture studios, producers, writers and other clients in the entertainment field, Lisa Frank told me that she felt that my expertise would be highly beneficial to

the Company in trying to assess and negotiate this deal with the Firm. After numerous conversations in this regard with Rhonda Rowlette for LFI and with the representatives of the Firm, however, I was terminated from this assignment, and told by Ms. Rowlette that she and James Green had decided that they had all the expertise that was necessary to negotiate this agreement with an entertainment management and production company, and that James Green did not want me to discuss this matter any further with Lisa Frank. I reluctantly heeded this directive (reluctantly since I knew that both James Green and Rhonda Rowlette lacked any of the necessary legal or business sophistication for this entertainment transaction), and to my knowledge the agreement subsequently failed to materialize.

Sworn to under oath and under penalty of perjury this 31st day of September, 2005.

By: Kirk M. Hallam 

I, Roy E. Hayes, Jr., being duly sworn under oath, submit this declaration under penalty of perjury in the State of Maryland.

I first met Lisa Frank soon after I entered Cranbrook School in Bloomfield Hills, Michigan as a freshman in high school in the fall of 1968. Lisa and I shared many friends and experiences throughout our high school years. During our junior and senior years, we spent a great deal of time together as neither of us was romantically involved with anyone else during this period of time. I was honored to have the opportunity to get to know Lisa's parents who always treated me like a son. It was during our junior and senior years together that cemented our relationship as "best friends". It is a relationship that has endured for 37 years. I consider it an honor and privilege to call a person with Lisa's character, integrity and loyalty my "best friend". Almost from the moment I met her, I always told her she was destined to accomplish great things in life.

Lisa and I have always maintained contact throughout the last 37 years, although at times, we might go years without seeing each other. After graduating from high school, Lisa ended up at the University of Arizona while I attended college, business school and law school in the Midwest. We would get together occasionally during this time, but we spoke frequently on the telephone. As time progressed, our lives became increasingly complex.

Lisa founded Lisa Frank, Inc. (LFI) in 1979 with her romantic partner at the time, John Lovell. Initially, LFI designed and sold colorful jewelry primarily for young girls. As the market's appetite for colorful jewelry waned in the early 1980's, Lisa began designing colorful stationery items and accessories that she thought would appeal to young girls. As her bright, colorful products were an immediate hit in the market, Lisa knew she was on to a very big idea.

After graduating from law school in 1981, I founded a real estate brokerage, management and syndication firm. After a publicly traded company approached me to syndicate a cable television company, I founded an investment banking firm that focused on the cable television and radio industries. After several years of consummating large transactions with major Wall Street firms, I co-founded seven cable television companies, which we have been in the process of selling over the past several years. In addition, I co-founded an MRI imaging business and a real estate investment company that develops residential and commercial properties. I am a Member of American Bar Association and the State Bar of Michigan.

My first recollection of James Green goes back to sometime late in 1983 or early 1984. Lisa informed me she was attracted to "a guy" that LFI had hired to be their first in-house designer and illustrator. Given the fact her father had recently passed away and she had previously been romantically involved with someone in her business, I cautioned her about not getting "too carried away" too quickly.

Although I believe I met James previously, the first time I recall meeting James was briefly at a high school reunion. My first memory of James was at Lisa's mother's

funeral in 1994. I recall he seemed distant and detached from the proceedings, which I thought was odd at the time given Lisa's extremely close relationship with her mother and the fact that Lisa was extremely distraught having now lost both of her parents.

In October 1994, Lisa and James were married. My wife and I attended the wedding in Tucson, which was an extravagant affair. James was extremely kind, generous and deferential to me throughout the wedding. He included me in the bachelor golf outing and bachelor party prior to the wedding festivities. It was an honor to be seated to the right of Lisa at the bridal table with James on her left.

At the time, James and I shared a common interest in golf. As I had business dealings in Phoenix from time to time, we got together for a few rounds of golf over the next three years. When we first started playing golf, I was the better player. James hired a professional golfer to play with him to improve his game and his game dramatically improved thereafter. As James' golf game improved, unfortunately his behavior on the golf course deteriorated. He became extremely critical of the way other players played, at one point telling me in the middle of a bad round for him that "...all you learned how to do was groove a bad swing." He became extremely friendly to me in anticipation of the 1997 U.S. Open that was held at Congressional Country Club to which I belong. I took him out to play the Open course five weeks before the U.S. Open Championship. After that round in which he did play particularly well, he was looking for things to buy in the pro shop when I heard him exclaim, "There is nothing to fucking buy in this place!" It was at that moment that I realized that James and I were far different people and probably not the type of person that I would choose to associate with in the future.

After spending the weekend of the 1997 U.S. Open at Congressional with James I decided that I was no longer interested in pursuing a relationship with him. I found him to be extremely arrogant and cocky. He clearly appeared to believe that because of his success he did not have to conform to traditional social mores and customs. It was clear to me that if you chose to disagree with him; you were dismissed as "not knowing what you are talking about" and an "asshole". In short, he was boorish!

In light of James' behavioral issues, Lisa and I did not see each other much over the ensuing years although we spoke frequently. In June 2005, Lisa called me and emotionally shared with me what had been going on in her relationship with James over the past eight years that she had previously not shared with me. Lisa informed me she was frightened of James and extremely tired of his verbal abuse over the years. She told me that he is extremely disrespectful to LFI employees and that he manages the company through fear and intimidation. She feared that many people left LFI's employ due to James' behavior and that many more were likely to leave if he were not removed from his office as President of the Company. Lisa asked if I were in a position to help her given my considerable involvement in my own businesses. I told her that as her friend, I would do anything I could do to help her.

One of the first things Lisa asked me to do was to review a Confidential Memorandum that had been prepared to facilitate a sale of LFI. After reviewing the then

latest draft of such a Memorandum, I immediately informed Lisa there was no way I could allow her to make this available to potential acquirers of LFI. It contained innumerable misstatements of fact, inconsistencies and inaccuracies. I recall that it even claimed James co-founded LFI! It also included projections regarding future performance that were clearly unobtainable. When I asked Lisa who prepared the Memorandum, she informed me that James and Rhonda Rowlette did in conjunction with Etkin & Company, the investment banker retained by James to sell LFI. Upon speaking with Bill Etkin to relay my comments on the Memorandum, he informed me that James retained him in November 2004 to sell LFI. He indicated that he was told by James and Rhonda not to contact Lisa in any way relative to a sale of LFI. He told me that he had been involved with James and Rhonda in preparing the Memorandum for approximately eight months and that it was still not ready to distribute to potential acquirers. Mr. Etkin stated that James and Rhonda kept editing and rewriting the Memorandum enumerable times, always in an unsubstantiated and self-serving manner. According to Mr. Etkin, the Memorandum was in process for eight months (more time than any other Memorandum has taken Etkin & Company to produce) because James and Rhonda were not responsive, "sat on their hands" and failed to provide Mr. Etkin the information and data he had requested to validate the claims and projections they were trying to include in the Memorandum. Lisa then informed me that she was taking over the sales process and met with Bill Etkin. From that point forward, Bill Etkin claims that he has received no further assistance from James and Rhonda. Moreover, he informed me that since Lisa took over the process he received many emails from James that are confrontational and abusive. James now tells Mr. Etkin that he is incompetent and incapable of selling LFI for "its true worth". Mr. Etkin has indicated to me that he has never been treated with less respect, nor has he ever seen such dissonance in a company in his entire career. Only a few potential acquirers have received Confidential Memorandums within the past week, however, Etkin & Company's agreement with LFI terminates September 30, 2005.

In early August 2005, Lisa asked me to help with a "crisis" that had developed with LFI's bank, Wells Fargo. Lisa informed me that Wells Fargo was "calling" LFI's Line of Credit on August 15, 2005 unless she were willing to sign personally for the Line of Credit. As Lisa informed me she had never signed personally for any loan, she did not want to begin doing so now. She asked me to contact Wells Fargo on her behalf. After ascertaining the outstanding balance of the Line of Credit, LFI's current cash balance and receiving a copy of the latest AR Aging Report, I contacted Wells Fargo. I inquired as to why the bank was so concerned about their relationship with LFI after twenty-five years when it appeared that the bank's collateral (i.e. accounts receivable and inventory) was "good collateral" and that the collateral was performing. Although I was aware the Credit Agreement had been previously extended on June 15, 2005, I inquired whether Wells Fargo could extend it again until alternative arrangements could be made. At that time I was informed by Wells Fargo's Regional Manager that the Credit Agreement had already been extended four times over a period of the last ten months. Each time the Agreement was extended the bank imposed more onerous terms upon LFI. Notwithstanding, repeated telephone calls to James over the course of these ten months went unanswered. At the same time, the bank was increasingly concerned that monthly financial reports were not forthcoming and sizeable distributions were made to the

shareholders. The Regional Manager indicated that they were completely out of patience and "worn out" in their attempts to deal with James. They actually thought James may be "teeing" LFI up for a bankruptcy filing. They felt they had no alternative left but to "call" the Line of Credit. Fortunately, I was able to convince Wells Fargo that from this point forward they could deal directly with Lisa (they had been previously directed by James and Rhonda never to contact Lisa in regards to the Credit Agreement) and negotiate through me. Lisa and I were successful in getting them to extend the Credit Agreement until November 1, 2005 on an interim basis until we could bring current the required financial reporting and produce the requested financial projections for 2005 and 2006. Wells Fargo has indicated that they appreciate the new level of communication and the receipt of all of the promised updated financial reports. They have indicated they would like to renew the Credit Agreement for another year and offer a multitude of additional services that would be beneficial to LFI as long as they do not have to deal with James going forward.

I have spent the past twenty-five years or so advising, buying or selling companies. I do not believe I have ever encountered a company as dysfunctional as LFI. Sales have declined by more than 50% over the last five years, while EBITDA (earnings before interest, taxes, depreciation and amortization) has declined by almost 95% over this same period. As of September 2005, LFI employed 80 employees in Tucson. Since January 1, 2005, 54 employees have either been terminated or resigned from LFI. The employees that remain suffer daily from anxiety and intimidation. James and Rhonda have systematically disenfranchised buyers of LFI's products and sales representatives that represent LFI to such buyers. Good, sound business judgment mandates that any executive officers that preside over such dysfunctionality as exhibited at LFI should be immediately and summarily dismissed.

Dated: September 29, 2005



Roy E. Hayes, Jr.

I, Susan Hoaby, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

1. I am employed by J.L. Buchanan Inc. a Sales and Marketing firm that has represented Lisa Frank, Inc. on and off for the past 10 years. JLB represented Lisa Frank from 1993- 1997 and we terminated our relationship due to the companies inability to satisfy Target, thus affecting our total business.

We worked with James Green on most day to day issues with Target - James was unprofessional and non committal to Target which affected our reputation greatly, as well as theirs. He would write inappropriate letters to our buyers boss complaining about the buyer and their inabilities. Our Lisa Frank business began to suffer as buyers would not work with James - they loved the product, but refused to be treated poorly by James and therefore chose to grow business with other vendors. We resigned Lisa Frank, Inc. due to their inability to provide professional service to Target and the negative effect, being associated with Lisa Frank, was having on our total business.

In 2003, Lisa Frank called us and asked us if we would consider representing them again (they had since lost all of their business at Target). We told her we would consider it under one condition - no James. She agreed, and we have had a successful re-entry into Target's business in a short amount of time. Lisa has worked hard to earn her business back and we believe in her brand - but would not consider representing Lisa Frank if James was in the business relationship - he is a detriment to her business, as was proven when he handled the business directly with Target, driving it to nothing when we were not under contract with them.

2. Over the years, I have counseled many employees of Lisa Frank, Inc. Consistently, they are fearful of James and Rhonda. They claim to be treated unfairly and appear to be verbally abused in my opinion. This is a constant part of the bad culture at Lisa Frank, fostered by James and Rhonda, and another reason why their business has been eroding for the past many years. The inability to nurture and retain personnel is a continuing problem at Lisa Frank.

Dated: September 29, 2005

By: Susan Hoaby - VP J.L. Buchanan



I, Mary Huffman, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

I have worked for Lisa Frank, Inc. for six years in October. My job title is housekeeper at the Green residence.

I have never really had a conversation with Mr. Green. He would never acknowledge my presence unless he wanted something done for him. I would always say "good morning" to him and I would get no response. As his employee, I did not feel that he respected me or my work. He has never shown any interest in me or shown any appreciation. I feel that he is not a pleasant person and I would get out of his way as quickly as I could.

On the other hand, Mrs. Green has always been a wonderful employer. I remained as an employee, in spite of Mr. Green, because I knew that he would be at the office and I would not have to deal with him.

Statement of Events Friday, September 23, 2005 approximately 4:30 p.m.

The front door and the gate were open so an attorney, who was meeting with Lisa, could take items to his car. I was near the front door and I heard James' voice. He said, "This is my house." His voice was very angry and it caught my attention, so I went into the front hall. I saw James use both hands to push the visitor just below his shoulders. The young man put both of his hands up and stepped back.

Dated: 30/9/05

By: Mary T. Huffman

I, Carol Kern, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

I have worked for Lisa Frank, Inc. from January 19, 1998. My job title is Product Development. I report to Lisa Frank.

James Green has mistreated employees verbally. He has always belittled employees in the art department and especially the sales employees. I have witnessed so many instances of his verbal abuse over the years, that I cannot relay specific instances – the verbal abuse was constant. I am the type of person who tries to stay positive. I think that constant negativity will make you sick. James was negative all the time.

In the past two months, inappropriate behavior has been worse. For example, when my department tried to do a project for Lisa, James would make the process so difficult by saying that we were wasting time and not allowing me to use resources like the artists. I really think that James was trying to make sure that any project associated with Lisa would not succeed.

Rhonda Rowlette's management style is inappropriate. For example, artists and other employees are made to feel guilty if they cannot stay late or work a weekend. The other side of that issue is even though employees will gladly work nights and weekends to get the job done, there is no consideration given when an employee asks for time off. Requests must be made through Rhonda and she waits until the last minute to approve them and that makes travel arrangements difficult. There is no consideration for "overtime" and employees are made to feel bad for even asking for earned vacation time off.

I have seen employees in tears after speaking with Rhonda. Again, there are just too many instances to choose just a few. Recently, Rhonda Rowlette engaged in the following inappropriate conduct: she told Dan Mullen to "Don't open your big fat mouth". Dan was so upset that he felt he had to leave for day.

The night and weekend work is a result of James not reviewing projects on the approval table in a timely manner. Work is ignored until the last minute and then everything is rushed and panicked. Work sits on the approval table until we have run out of time because artists were not given direction. I think that James is overwhelmed by the amount of work there is to be done and then he can't focus on one item because of the enormity of what is outstanding. He will not delegate and rather than methodically work through projects, he just deals with what cannot wait at that moment.

Dated: 9/28/05

Carol Kern

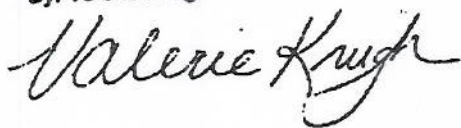
By: Carol Kern

I, Valerie Krugh being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

- 1) I worked for Lisa Frank Inc. from February 2004 to October 2004. My job title was National Account Manager and initially I reported to the VP of sales; after she quit a few months later I reported directly to James.
- 2) During my tenure at Lisa Frank Inc., my position was based out of my home office or on the road. Because of my relative proximity to the office I came to corporate headquarters quite often, about every 3 to 4 weeks and usually stayed 2 or 3 days.
- 3) James Green was the driving factor behind my decision to resign.
 - a. In my opinion James Green did not seem to possess the knowledge or temperament to run a company or a sales department.
 - i. When given a numbers based presentation to approve his only concern was with the font used rather than the content.
 - ii. He lacked focus and direction when it came to identifying important customers and opportunities. Instead of focusing on declining sales with major retailers he would tell us to sell our products to zoo gift shops or sell our beanie toys to pet stores for use as "golden retriever toys".
 - iii. James gave the sales force 2006 sales projections with no basis for the numbers at all. Every salesperson got the same number regardless of their customer base or the sales history.
 - iv. I had several buyers tell me that they disliked James Green and one buyer I met during a trade show told me that after first meeting James he "wanted to punch him in the mouth".
 - v. James was unable to communicate effectively with his employees. He often sent derogatory e-mails to the sales personnel accusing us of not working. When you had a difference of opinion with James on a work related issue he would just leave the room rather than explain his point of view.
 - vi. James Green did not know how to motivate his employees. He expected you to work long hours (he would often e-mail us or even call well into the evening) but I don't think he ever once said "thank you" or "great job".
- 4) Shortly after joining Lisa Frank Inc. I was told by the other employees working in sales and marketing that James Green and Rhonda Rowlette listened in to our phone calls and read our e-mails. Disgruntled IT techs had told everyone in the office. There was a general feeling of paranoia in the office.
- 5) I often worked with Lisa Frank either in person at the office or via phone and e-mail from my home office. I found Lisa to have a much better sense of what was needed in sales and she was certainly more pleasant to work with than James. When I was struggling to get information or product needed for a meeting it was Lisa I came to for help, things got done when she was involved.
- 6) I gave my resignation to Lisa Frank directly and when she asked me to stay I told her "I love your product and was so excited to work here but I will never work for you as long as James is part of this business, you can call me if you ever get divorced."

Dated: September 29th, 2005

By: Valerie Krugh



I, Bill May, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

1. I met Lisa Frank in 1994 when I was the school and office supply buyer for Wal-Mart. She and her assistant together conducted all of the meetings we had from 1994 to 1999. My observation was she really knew her business well. During that time frame we worked together on her category of merchandise to significantly grow the business at Wal-Mart.
2. I have worked for Lisa Frank, Inc. as a consultant from May, 2005 to present. My job title is consultant. I report to Lisa Frank.
3. James Green has mistreated employees in the following fashion: "profane language spoken frequently in their presence."
4. I have been present in the Tucson office when inappropriate language was used in front of employees.
5. James Green withheld my monthly compensation in September, 2005 without telling me or informing me of a reason why.
6. James Green delayed expense payments to Bentonville employee Melissa Oertle in August, 2005.
7. I have been present in a meeting with Wal-Mart buyer Heather Hocut, Lisa Frank employees James Gliwa and Heather Daub when the buyer made negative comments about the professionalism and bad attitude of James Green as a sales representative of Lisa Frank.
8. I have been present in a meeting with Wal-Mart buyer Carrie Hoffine, Lisa Frank employees James Gliwa and Heather Daub when the buyer stated she was "ready to write off Lisa Frank as a supplier because of the way the business has been handled since I have been the buyer in this category."

Dated: 2005-09-29

By: Bill May



9/29/2005

I, Kobi Miller, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

1. I have worked for Lisa Frank, Inc. from 1981-83 (approximately), again in 1991-92 for 6 months or so, and again for the past 10 years, commencing in 1995.

2. I left in 1992 frustrated with the oppressive management style of James Green.

3. After I returned for my current 10 year stint with the company, James Green's management style has not improved. I feel he has hurt the company in many ways...not the least of which is that we have lost so many good people in art dept, sales, support personnel, even warehouse personnel who could not handle the oppressive erratic behavior, directives and comments delivered by James Green....

4. James Green has mistreated employees in the following fashion....when art work is requested the artist does his or her best to accomplish the goals as quickly and accurately as possible and deliver the work to a review table location for his review and revisions.....but in the case of James Green the primary direction is vague at best, in fact little or no verbal direction is given and then the work presented is not acted upon by James Green as a reviewer until last minute and then blaming the artists for the delays....he constantly blames artists for his own lack of action....artist have had to work late and weekends due to his procrastinations.....in addition....employees feel very oppressed in his presence....he is a dark figure in what should be a bright and happy art dept....he criticizes when he should inspire...he blames when he should assist....he walks away from conversations concerning work as if he considers himself above explanation that would be helpful in accomplishing tasks....just walks away while the employee is asking for more info.....no one feels inspired by his comments, instead he creates anger and regret in the work place....he speaks of employees in negative terms within earshot of other employees....in general he wastes company resources and assets due to his power wielding behavior and foul language toward others.....he at times seems completely unreasonable and irresponsible in his priorities..... In my opinion he is completely inept as a CEO of a company such as LFI.... the company I can safely say would be a much happier and productive place without such an individual in charge...

5. Concerning Rhonda Rowlette's management style: heavy handed, confrontational, accusational, aloof and condescendingshe is quick to scold and blame for the slightest infraction and is the company enforcer... she enjoys that position of power and has been the cause of countless assistants and sales people and artists quitting... some as quickly as a day or week... some a little more but one after another good natured people insulted and angered by her actions that they walk away....she is more suited as a interrogator than a vice president....she is not well suited for the position she now holds.....she and James seem to be on the same oppressive page as far as attitude towards employees....she is avoided and feared by all.

KOB, MILLER

6. foot note: my wife and I (Mary Jean Miller) were shopping at Tucson Mall over 4th of July weekend 2005...and stopped by the Lisa Frank retail store in the mall.....we were surprised to see James and Rhonda together in the store on that 3 day weekend....we had a short conversation with James.... (Rhonda didn't say much)....after we left them we both thought it strange that they would be together and that Rhonda acted sort of caught off guard at seeing us and acted uncomfortablewe wondered why James wasn't with his family and Rhonda wasn't with her husband on a holiday weekend?.....something wasn't right.....

7. I would end my comments by saying that Lisa Frank Inc. has the potential to be such a positive and creative place to work....I hope that my opinions will help remove James Green and Rhonda Rowlette from their positions in the company so that the company can realize its potential both financially and otherwise to be the company I always wished it could be....then in 7 years or so I can retire with pride rather than regret.....

9-27-05 Kobi Miller / Product Development Artist / Lisa Frank, Inc.

A handwritten signature in black ink that reads "Kobi Miller". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Dan Mullen, being duly sworn under oath, submits this declaration under penalty of perjury of the State of Arizona.

I have been an employee of the Lisa Frank Company from September 1989 to July 1996 and March 1999 to the present. My position has been as a Computer Graphic Artist.

During the period of September 1989 to July 1996, I worked with Lisa Frank & James Green on a daily basis. I normally received art direction from Lisa Frank, James Green, and Rob Weingartner. Rob was an employee of the company and worked in the capacity of Art Director.

Lisa has always participated in every facet of her company. She has worked with many an artist giving direction and approval on projects. Lisa sells her product as well. Through her talents in art, sales, and as spokeswoman Lisa has inspired a successful company. Lisa's design sense, imagination and use of color are what defines her product. Lisa is the heart and soul of the Lisa Frank Company. She is not just the founder of a company. She is the brand. Her spirit and personality are what her customers are attracted to.

In my first experience working with the Lisa Frank Company, James Green was the Creative Director for the Art Department. James worked with the artists developing art for the product line. James helped to create the art to a certain point. Lisa had the final approval.

Several years after leaving the company in 1996 I was invited again to work for the Lisa Frank Company. I have been back since July 1999. In the time frame since my return I have noticed significant changes in the character and atmosphere of the company. What once was a vibrant environment full of energy and promise has become a place of intimidation and insecurity. The current management style has been counterproductive and to my understanding sales are down.

The turnover rate of employees is very high. Morale is low. The company has a bad reputation in the community. The word in Tucson is that "you don't want to work for the Lisa Frank Company." You can't run a good organization without good people. Most of the people I work with would go somewhere else if the opportunity arose. However, good work in the creative field is hard to find.

In the fourteen years I have worked with the Lisa Frank Company, I have seen many talented people leave. In the majority of cases, it has been due to the personality of one man, James Green. James is not a nice person. He

treats people with no respect and consistently degrades and intimidates. There have been numerous occurrences where James has openly criticized and insulted his employees. Many times there has been blatant disrespect such as name calling and the use of obscenities when talking to employees. I can give many examples, and one in particular comes to mind. Rob Weingartner who was with the company for several years and had given so much of himself to his job was victimized by James. He was openly criticized and called names like "punk." (This is one of James's pet names which he has used on several employees). This was unjust and inappropriate. These actions have resulted in the loss of key employees. Individuals do not want to be treated in this manner. James Green is destroying the Lisa Frank Company. He uses a management style of intimidation, which has put this company on the fast track to failure.

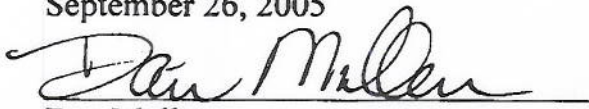
Rhonda Rowlette is the enforcer. James uses her to maintain control of the employees. Through Rhonda employee's jobs are threatened and an atmosphere of hostility is maintained. Employees are consistently called to her office and subjected to threats and harassment. Rhonda does what James asks. I have seen quite a few employees escorted out the door without notice or good reason. Some individuals have been fired for "stealing" and given vague accusations as the reason. It is difficult when someone you have worked with side-by-side is suddenly gone and you don't understand the circumstances behind their abrupt departure. There is no sense of security. Any day could be your last. It's all about what James wants.

It is not just about intimidation. The art department is not managed efficiently. Deadlines are consistently missed. James procrastinates on a regular basis. Jobs will wait days, weeks and even months before he reviews or gives his stamp of approval. It is only when the deadline has passed that he takes action. Typically, James blames the artist for holding up production. This is a chronic problem. I have talked to Lisa on more than one occasion about this issue. She has taken it upon herself to get these projects through. In turn, this causes issues with James. His ego is slighted and he openly displays his displeasure.

Needless to say, the Lisa Frank Company has become an unhealthy environment both for business and for the employees who work there. Lisa needs to take back control from a man who is ruining her business as well as people's lives.

Further Declarant sayeth not.

September 26, 2005

A handwritten signature in black ink, appearing to read "Dan Mullen", written over a horizontal line.

Dan Mullen

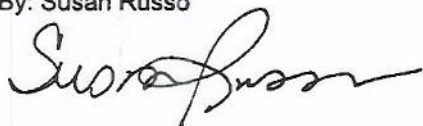
I, Susan Russo being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

- 1) I worked for Lisa Frank Inc. from February 2003 to December 2004. I was hired as a Marketing Manager and was promoted to Sales and Marketing Manager. I reported to both James and Rhonda as it was never made clear who I reported to or my job description. The last 4 months I was employed at LFI I reported to Lisa Frank as I worked directly with her on specific accounts
- 2) Considering I had the opportunity to interact with all 3 parties, I found Lisa to have the best business acumen as well knowledge of the industry for the following reasons:
 - a. There were several instances where James Green would stand at the top of the stairs outside his office and yell obscenities at employees. He created a hostile environment for his employees.
 - b. In one instance he instructed me to install a yogurt machine in the warehouse store (located in the Headquarters Lobby). When I and a co-worker informed Rhonda Rowlette that we needed to get certifications from the Board of Health, she told us not to do that under any circumstances and to just do as we are told. Weeks later the Health Dept. was notified by a disgruntled employee and the yogurt machine was removed.
- 3) The overall corporate culture was built on fear and negativity. In my opinion Rhonda and James fostered these feelings in their employees as a way to control their employees. Employees were expected to work late hours and Saturdays because of James inability to make business decisions.
 - a. An example: One evening Rhonda Rowlette instructed me not to leave as James wanted to discuss a presentation with me. However, James had left the building and I was to wait for his return. At 9pm Rhonda informed me James wasn't coming back and I could leave. This type of behavior by James was the norm not the exception.
- 4) When I was interviewing for my position at LFI I asked Rhonda Rowlette about the turnover rate. She lied and told me that turnover was rare at LFI. In the short time I was employed at LFI over 80 people walked out the door, most without notice because they had been treated so poorly.
 - a. It is common knowledge among employees that James has access to your emails and access to your phone conversations. While employed at LFI there were at least 3 IT Managers who warned employees that James was reading their emails and monitoring their phone calls.

In closing I would like to state that when working with Lisa Frank whether it is in the office, at her home office or via phone you would sense her expertise in the industry, her sense of work ethic and her appreciation for your efforts. Lisa Frank expects the most out of herself and her employees. After every conversation I had with Lisa she thanked me for my efforts and long hours and appreciated my efforts in supporting the LFI organization. I resigned directly to Lisa Frank as she is the only Executive in the organization that earned my respect.

Dated: September 29th, 2005

By: Susan Russo

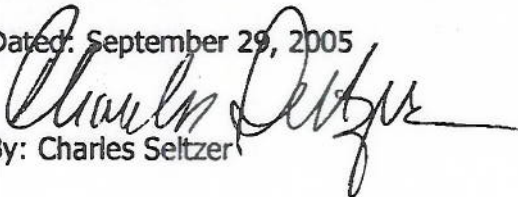


I, Charles Seltzer, being first duly sworn under penalty of perjury of the State of Arizona, do hereby declare:

1. I have worked with Lisa Frank, Inc. on two different occasions as a manufacturer's representative, selling their product line in the New York, New Jersey territory. In total, I have represented them for approximately 18 years. My relationship first started with them in February of 1985 and ended in April of 2000, when I resigned. The second relationship started in April of 2003 and continues to this day.
2. I resigned the line in April of 2000, after working with LFI, Inc. for 15 years and helped them to develop their distribution into the mass market. When a decision was made to reduce my commission rate from 4% to 2%, I made numerous unsuccessful attempts to contact James Green via emails and phone calls over a two-week period, to discuss this decision. Mr. Green's decision to ignore my repeated attempts to communicate with him was the deciding factor in my resignation.
3. Lisa Frank has played the dominant role in building and developing the Lisa Frank, Inc. brand since my relationship with the company began. Having represented the premier companies in the toy, stationery and seasonal business for over 27 years, I have come to realize the two most important factors in a company's success are unique product development and salesmanship. Lisa Frank excels in both areas. Lisa has been responsible for product development for the entire company and sales to their most important customers throughout the years. Lisa revolutionized the product categories she targeted with incomparable items and personally sold those products with enthusiasm, expertise and extraordinary success. I have seen her in action during numerous appointments with major customers and believe her skills to be exceptional.

Dated: September 29, 2005

By: Charles Seltzer



Heather Smith, being duly sworn under oath, submits this declaration under penalty of perjury of the State of Arizona.

With much trepidation I am writing this with hope that something changes for Lisa Frank, Inc. I started July 25, 2005 with Lisa Frank and have spent much of the two months there worried about staying on with the company and even if the company will survive this unfortunate circumstance. I have managed people for nineteen years with big corporations like the Credit Bureau, Capital One, and Dun and Bradstreet and so far have not been exposed to anything like this before.

When I started with the company I was very excited to bring my innovative, creative talents and had high expectations of going places and giving my all to the business. Unfortunately, from day one I felt there was an invisible line, I had to be on Lisa's side or James's side and that in itself was hard because I wanted to work for the best interest of the company. I was given a tour of the facility and introduced to everyone except for James or Rhonda. I questioned that and was told, "No, I can't introduce you to him/her, it's not allowed." I thought that was strange as with any other company I was exposed to upper management would introduce themselves to new employees. I wanted to introduce myself and Julie Dawson said, "Oh, you should wait, timing is everything, and I will let you know when it's a good time." Again, I felt a little uneasy that there had to be a good time? Recently I am aware that James and Lisa are going through a divorce etc. It did not occur to me that this could not be done amicably between adults and business partners. Here are some examples of what I have witnessed to reiterate what we, as employees of Lisa Frank have had to deal with.

James is consistently cursing and raising his voice along with outbursts pertaining to him and Lisa.

He throws things, slams doors, which has really made a tense work environment for all involved. Being on the sales team we work for Lisa and feel very alienated.

Rhonda has not really said two words to me so I do not have any relationship with her. The only encounter I've had concerning her was when Jackie needed a laptop one day from the office. Lisa had Kim come to the office for one and Rhonda said no she could not have a laptop. LeAynne and I quickly got hers unplugged and gave it to Kim for Jackie. In a business you would think that we would all work as a team but that was another apparent example of tension in the air.

This week LeAynne was out due to a death in her family and Rhonda called my phone and questioned where she was and what was going on. She spoke in a cold disheartening manner acting obtuse. This is one of my first personnel interactions

with her and she really made me feel that something was going on more than LeAynne just being off. I know Rhonda and Laura knew about this because LeAynne was upset the week before, she asked for time off and the only response she got was "we can't pay you." When LeAynne was trying to leave Friday she wanted to train me to do something for her so that reports would get to James and Rhonda as usual so she could leave at 3:00. I asked her if I could take my lunch earlier than the 12:00 rule so that I could get back in time to learn this report before she left. Since Laura was out of the office she asked me to ask Julie if that was ok. Julie asked why, I explained, and she wanted me to find out the time etc. When I went back to Julie for a final answer she then said, "Don't you work for Lisa?" This made me feel once again that I was on the "Lisa team," a classic example of division in the office.

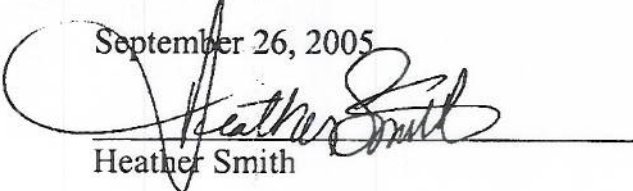
Friday July 23rd after going to court for the first time, James arrived at the office and entered shouting "We're still here!" Case and point to the lack of professional and work ethics that we have to endure.

James told me that the company Brand is the most important thing to any company and I agree. I feel that every company has a brand as we all do in life. I think that Lisa would bring back the brand she had in mind when she started this company. She has always been very professional through her emails and phone conversations. She also has expressed how appreciative she is that we are working so hard for the company. She is a leader that inspires excellence and a feeling of self worth within the company.

Something has to change or this will be the cause of Lisa Frank's brand and the company itself to go to the wayside. None of these statements should be used as personal attacks. I am giving you an unbiased account of my experiences thus far at Lisa Frank, Inc.

Further Declarant sayeth not.

September 26, 2005


Heather Smith

I started working for the Lisa Frank Company in late April and from the beginning I was told that there were sides of this company, a Lisa side and a James side. Trying to navigate through this place has been a challenge, to say the least. The hardest part of this working environment has been the outbursts and unprofessional behavior.

About 7 weeks ago, I was told that Lisa Frank would be taking over the sales department and things started to change for sales support quickly. For instance, weekly meetings stopped for a while and the communication slowed, I couldn't get my questions answered internally I had to call Lisa for the smallest things and we were no longer allowed downstairs in the art department? On one instance I was instructed to ask Rhonda about a Walgreen's meeting recap. When I went to Rhonda I was told "how the hell would I know, I wasn't there was I"? At that point I turned around and immediately left her office. Then the next day when I came in to the office a meeting recap was sitting on my chair. I would go to Rhonda or James to ask questions about things because I was still trying to learn and I would be told to ask Lisa? Simple things like a sample that needed to go out, I would be directed to call Lisa "she's in charge of sales".

My sales team sat right out in front of Rhonda's office until about 3 weeks ago when I requested that they move us or I wouldn't be able to keep people with all the yelling going on. At about 4:45pm one evening, James was in Rhonda's office and I heard yelling and then something crash. As I looked up I saw a chair had been flung against the shelves in Rhonda's office and James was yelling and cursing as he walked over to his office with Rhonda following behind. At that same time one of the sales support staff was coming up the stairs and witnessed the incident and was very concerned about the matter.

Around that same time James was walking out in the work area yelling that the help was now lying to him when I accidentally stood up. When he saw me he yelled and pointed his finger at me saying, "you didn't hear a damn thing...do you hear me". I immediately sat down and tried to continue to work. After these incidents I asked Julie Dawson to talk to Rhonda and James about moving the sales support staff out of the middle of things. I told her that it was not appropriate for the employees to be listening to the cursing and screaming. Our department had a whole new team that didn't need to be involved in this. We were moved promptly.

I have noticed that when I leave my department that James will come over and ask my staff what they're working on and talk to them about things that we could be doing better. He is making comments that we have nothing to do and why do we have four people over here? This makes them afraid of what they will say next time he comes over.

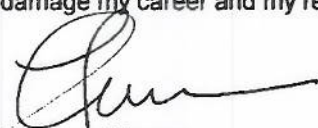
Recently I'm being mocked by Julee Dawson pretending to take pictures and telling everyone "LeAynne needs to take pictures...Julee in at 10:15...James out at 5pm". I walked to the printer, which in in front of Rhonda's office, James and Rhonda were in the office and started waving to me in a very large gesture...as if they were saying yes were here LeAynne. I refuse to go to that printer anymore, I walk to the accounting printer so I stay out of their way.

Last Friday, a sales support person asked me if she could run and take her car into the shop before we got busy with a presentation after lunch. Laura Soards who normally is the person we check in and out with wasn't in so she went to Julee to let her know that she was leaving. Julee said to her, you work for Lisa let her know. We were under the impression that we worked the The Lisa Frank Company but according to Julee we work for Lisa? The entire sales team feels like we are not apart of the company.

I tried to stay out of this and do my job but with no internal communication, the outbursts and the sense that we aren't welcome in the company that we all left jobs for, is hard to handle anymore. I call Lisa Frank at least 10 times a day for reassurance that it might get better. I told Lisa that I feel that I'm being treated like this to force me to quit.

I've already had one Sales Support person quit because she was sent to the retail store to run it after the entire staff quit. She was working with 3 people (a student and a 80+ year old women) 6 or 7 days a week, sometimes from 10am-9pm. She was constantly calling Julee to see if they hired anyone and was told no and just recently Julee has stopped returning Judith's calls. Judith has now quit.

This is a hard letter to write knowing the people that I'm writing about can potentially damage my career and my reputation in this business.


LeAynne Warner

9/30/05