

EXHIBIT G

From: <brian@techcrunch.com>
To: Michael Arrington <editor@techcrunch.com>
CC: Nik Cubrilovic <nik@techcrunch.com>; Heather Harde <heather@techcrunch.com>
Sent: 8/31/2009 1:52:59 AM
Subject: Re: Update on Pegatron

Pegatron got back to me... twice.

1st call:

They mentioned that they are not able to do this without the upfront NRE. Mentioned that decision is at the CEO level. Mentioned that at the time the agreement was made FG told them they needed 24 hours to confirm the upfront NRE change in order to get agreement from TC. 24 hours later, FG told Peg that all were in agreement on changing to up front NRE assuring Peg that TC was in agreement. They mentioned several times that FG was going to keep driving the product and they repeatedly asked if TC was OK with Peg continuing to work with FG to get it done. 4 times they asked to be exact. It seemed like they were aware that there was a possibility that TC would continue to cooperate with them continuing to work with FG. I strongly sense that is a conversation that happened. Each time I told them that Michael was feeling very betrayed and that I would need to communicate the conversation to him. In the end, he mentioned that they understand that this is a TC idea and that TC owns CP and that if TC wants them to back away from FG, they will do so at TCs request. They are obviously hoping that this stance will keep the negative guns pointed away from them.

2nd call, 15 minutes later:

They asked how we would like to them to continue interfacing with FG. I told them to conduct business as usual until I get a chance to sync with Michael and that I would call once I've done so.

Need to determine next steps. I suspect that BBY will not be able to help unless they are willing to pay the NRE. Peg does not care who pays them, but they most certainly do not like being in Michael's cross-hair and are willing to walk away and versus taking on negative press or additional financial risk. I would not be surprised if Peg would quietly waive the NRE on the back end to FG in exchange for ownership if TC were to continue pushing MKTG efforts and those efforts were positive. Could push to get the samples for TC50 to gauge response in advance of paying any NRE. This will strengthen FG hold on the product, but would open the door to alternate design for production if that path is to be pursued.

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

From: "Michael Arrington" <editor@techcrunch.com>
Sent: Sunday, August 30, 2009 5:48am
To: brian@techcrunch.com
Cc: "Nik Cubrilovic" <nik@techcrunch.com>, "Heather Harde" <heather@techcrunch.com>
Subject: Re: Update on Pegatron

fingers crossed.

On Aug 30, 2009, at 3:46 AM, brian@techcrunch.com wrote:

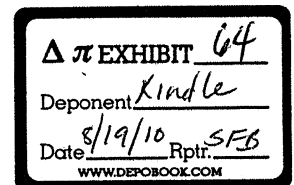
Just finished final conversation with Peg. Message on positive communication to globe with Peg executives involved with TC50 versus negative communication with shutdown of project received 14.5 hours prior to internal management meeting... Let us see how it is received.

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

From: brian@techcrunch.com
Sent: Friday, August 28, 2009 12:24pm
To: "Nik Cubrilovic" <nik@techcrunch.com>
Cc: "Michael Arrington" <editor@techcrunch.com>, "Heather Harde" <heather@techcrunch.com>
Subject: Re: Update on Pegatron

Yes, and when I also mentioned that I thought FG was attempting to skim off the top based on their unwillingness to share data and the large numbers they were verbally mentioning, I was certain that to be the case. When I discovered their initial BOM cost to me, which they would never email to me, was higher than that emailed direct from Peg, it was most gratifying to slam their fingers in the lid of the cookie jar. They were obviously planning on pocketing \$20-\$30/unit at the time they announced the \$400 price to the world. Every cockroach involuntarily scrambles when the light comes on!

The lesson for the day on the HW/MFG business is only work with people that you trust! It is just too easy to skim as all partners



want additional profits and there are too many places to hide \$\$\$. Always assume the worst, especially when times are good, and you will never be surprised or stop hunting for it.

Not out of the woods with Peg yet... but slightly better outlook than 48 hours ago. I'll hold off celebrating until the final word is back from them.

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

From: "Nik Cubrilovic" <nik@techcrunch.com>
Sent: Friday, August 28, 2009 2:09am
To: brian@techcrunch.com
Cc: "Michael Arrington" <editor@techcrunch.com>, "Heather Harde" <heather@techcrunch.com>
Subject: Re: Update on Pegatron

adding heather as well

On Fri, Aug 28, 2009 at 2:08 AM, Nik Cubrilovic<nik@techcrunch.com> wrote:

> I am taking this as being positive. because from their perspective
> they could have cut us out 24 hours ago, and it seems that they are
> going through a very deliberate internal process of figuring out what
> to do, and the questions he asks tend to lead to them going with us.
>
> For them it comes down now to internal problems and a project to work
> on, or much bigger external problems and no project
>
> Once you narrow it down, almost a no brainer - but I see how they are
> searching for an alternate escape hatch at the moment (ie. they know
> they have to go with us, just checking one last time incase there is a
> way out). I can imagine that they have been speaking to Chandra as
> well during this period, or might have enough already to know that FG
> can not carry this on their own
>
> The thing that surprises me Brian is that we are getting pretty good
> at knowing the Asian playbook. Remember the initial convo about out
> peg approach we had in Singapore? It played out almost exactly the way
> we expected it - I am thinking it might play out the same way here
> again (ie. they will come back with 'yes lets do 1000 with you now')

> nik

>
> On Fri, Aug 28, 2009 at 2:01 AM, <brian@techcrunch.com> wrote:
>> 2.5 hour marathon call with Peg just finished, and we are still expecting a
>> call on Sunday with the final answer. I did not respond to the email from
>> them and there were 2 urgent voice-mails on my cell before I responded and
>> apologized for being busy... on purpose.

>> Call &A summary:

>> If Peg chooses Techcrunch Option is NRE truly \$0? I reiterated that we
>> needed to get back the original deal which was NRE amortized over production
>> volume and time. He knows that was the original structure and it would
>> weaken our position if we insist on changing from the original to \$0.

>>
>> Could NRE be amortized over 100K units? I responded that adding \$7 to the
>> cost of the initial 100K units would not work and that it will need to be a
>> sliding scale based on volumes predicted by the pre-sale 1K units. The
>> sliding scale would guarantee that the product would not be burdened up
>> front with payment larger penalties as that would be counter-intuitive to
>> building and nurturing a successful business. I told him that expectations
>> were set with us that the NRE recovery would not exceed 3 years of
>> production volume. The sliding scale allows us to minimize payments in the
>> beginning when volumes are low resulting in the least impact to per unit
>> cost adder. He understood.

>>
>> If they chose the FG path would TC give them a letter stating that we were
>> no longer involved? I told him that the hail storm of negative press would
>> make it obvious to the world that we were no longer involved and that his

>> management team would know clearly from that global press exactly where we
>> stood. I also mentioned that the ripple effect of the negative press would
>> drive all of the larger volume partners we brought to the mix away. He
>> asked would there be any negative press towards Pegatron. I told him that
>> the sense of betrayal was the strongest I have ever seen that there is pure
>> anger where a strong sense of partnership used to be. I mentioned that they
>> should assume so but that I argued for one chance to try to fix it before
>> shutting it down and educating the world why we are doing so. Michael, you
>> are now the angry guy and I am trying to help them stay off your radar
>> screen. He asked if I would please tell you that they have been consistent
>> in their stance and that FG was not communicating properly. I told him that
>> I would do so but that deceit was different than poor communication of
>> course he implied I meant on FG's behalf.

>> What would happen to FG if they chose the TC option? I told him that the
>> changes were already in play referring to the fact that KS and Stuart have
>> already transitioned to reporting to me. He asked FG could drive the
>> project if TC backed out. I told him his finance department already had the
>> answer to the questions and it was moot. He obviously got it. He stated
>> they are worried about a repeat situation where FG makes a commitment and it
>> causes turmoil. I told him that if the answer is to stick with FG, we will
>> shut it down and they would need to rely on FG and mentioned the negative
>> press again. If they want to support TC, they will only interface with TC
>> on any business operation related topics and reinforced that FG would not
>> have the authority to make any binding commitments.

>> Are there any other issues? I told him that we would expect them to
>> continue to drive cost reductions on the areas of the BOM they can impact,
>> that we expect to verify and impact the tooling costs, and that we needed to
>> have protos for TC50.

>> Would they be held responsible for the \$299 street price if Intel and
>> Display combo did not come through? I told him that we would not hold
>> Pegatron responsible for costs out of their control. He asked if we had
>> gotten reductions there. I told him that we are in conversations with the
>> top executives of the major cost centers and that we were confident that we
>> will get close enough to our cost targets that we would avoid major public
>> outcry but that we would obviously not be able to take a profit on the HW.
>> He asked if we backed out would we share the pricing with FG. I told him
>> that he knew very well that, contractually, the vendors would not allow me
>> to share our TC pricing with them. Again with the chuckle... He was
>> testing me.

>> BTW, I am not starting price discussions with component vendors until they
>> indicate conformance as it would be pointless to beat the vendors then shut
>> it down if they were to comply.

>> He mentioned that the biggest issue is one of saving face. Since the head
>> of the BU communicated that they had changed the NRE to up front to
>> eliminate the risk, they will look like clowns if they change it now. I
>> told him that I understood, but I would prefer internal strife to this type
>> of potential external strife.

>> Losing face is tough for them culturally, let's see what happens... Next
>> update late Sunday.

>> -----Original Message-----

>> From: "Nik Cubrilovic" <nik@techcrunch.com>
>> Sent: Thursday, August 27, 2009 9:34am
>> To: brian@techcrunch.com
>> Cc: "Michael Arrington" <editor@techcrunch.com>
>> Subject: Re: Update on Pegatron

>> You can see from his questions that they recognize that following FG

>> without us is pointless. I expect them to somehow work out going back
>> to the old scenario, only communicating with us directly from now and
>> cutting FG out of that loop.

>> how the hell they believed Chandra would sell 1M units without us, I
>> will never know.

>>

>> On Thu, Aug 27, 2009 at 2:54 AM, <brian@techcrunch.com> wrote:

>>> I did communicate to Pegatron as we discussed yesterday in detail. Here
>>> is

>>> the summary of that conversation:

>>>

>>> We will get their final answer late Sunday/early Monday our time. He
>>> communicated he thought it would be a no go for his MGMNT to change back to
>>> initial terms, but was not 100% comfortable. We shall see. Details below
>>> show tone and flow.

>>>

>>> Here are those details:

>>>

>>> I communicated to Leo the fact that Techcrunch is now feeling like the
>>> terms

>>> are changing at the end of the project as we have been communicating the
>>> need from the start of the project that there would be no NRE up front and
>>> that we would build the initial 1K units to test the Market with. I also
>>> communicated that expectations were set to TC that these terms were agreed
>>> to and not a problem. I told him that there was anger and resentment on
>>> our

>>> side based on terms changing at the end. I explained very clearly that if
>>> the initial understanding of the agreement that was communicated to us, no
>>> up front NRE and 1K units for pre-sale, was not met that TC would be
>>> forced

>>> to shut support for the project down.

>>>

>>> He mentioned that FG did tell them that TCs expectation was to test the
>>> market with 1K units but that Chandra was comfortable committing to the 1M
>>> unit annual sales based on the all of the other customers he had. I again
>>> mentioned that almost all the customers at the table were brought to the
>>> table by and interested in partnering with TC on the TC Crunchpad based on
>>> public feedback to the initial articles. I reiterated that at no time was
>>> a

>>> 1M unit annual volume communicated as a required term to TC and that it
>>> would contradict the need for 1K pre-sale units for Market testing.

>>>

>>> He continued to refer to discussions and agreements made with Fusion
>>> Garage

>>> and I continued to explain that Techcrunch is feeling surprised at the end
>>> of the project. He eventually got the fact that TC was not being kept in
>>> the loop with communications and is just now starting to get an
>>> understanding with the MOU terms being recently released to us. He then
>>> started referring to the 2 scenarios. The original, which is expectations
>>> set with TC, and the current which is completely changed and agreed to by
>>> FG

>>> and Peg. He told me that his management would not support going back to
>>> the

>>> original scenario. I told him that I would instruct Michael that Peg does
>>> not agree to work with TC on the original scenario terms thus forcing a
>>> shut

>>> down. He then asked until our Sunday, their Monday to get final feedback
>>> from his management team as they were at an off-site.

>>>

>>> I mentioned that if they did decide to work on the original scenario terms
>>> that all of the partners that TC brought to the table, including Best Buy
>>> would continue to back the project with the extreme vigor shown to date
>>> and
>>> that the TC marketing engine would fuel great positive coverage globally.

>>> I
>>> added that TC/Crunchpad Inc would be the entity that they would interface
>>> with. However, if they say no forcing a shut down, TC would need to begin
>>> to craft the final communications on the project to the public and get
>>> prepared for the negative onslaught. A lot of uh huhs on the other end of
>>> the phone as he took notes. I explained that with TC50 so close that we
>>> needed time to craft the communications so getting us their final feedback
>>> by Monday their time was critical.
>>>
>>> He then checked with the EA to confirm the MGMNT team would be back in the
>>> office Monday morning and agreed to the time again. He mentioned again
>>> that
>>> he thought they would say no. I then told him that I would then change my
>>> communication back to Michael and instead of an immediate shut down that
>>> Pegatron would most likely not agree to the original scenario terms most
>>> likely forcing a shut down, but the final decision would come late our
>>> Sunday. Again he was not very comfortable at all in that position.
>>>
>>> He asked what would happen if we withdrew our support, and would they then
>>> work with just FG and how FG would manage to get the product out without
>>> TC
>>> support. Before I could answer he quickly asked another if TC would still
>>> be acquiring FG. I told him that if they force a shutdown, FG would have
>>> to
>>> secure funding on their own to fund Marketing activities and to pay Peg
>>> the
>>> monies they called out in the second scenario to support the 1M units
>>> volume
>>> for which TC was not aware of and that TC would not be involved in the
>>> process. He mentioned that this would likely damage relationships.
>>>
>>> He mentioned that he would talk to FG about this and I told him that TC
>>> communicated its position to FG and that they were aware. I told him that
>>> were are consistent in our communication.
>>>
>>> He then told me that he understood completely and had no more questions.
>>> We
>>> agreed that we would talk again our Sunday.
>>>
>>>
>>>
>>
>