

EXHIBIT A

From: Dan Brown
To: Kaleta, Stephanie
CC: Dan Brown Jr
Sent: 2/16/2012 9:05:13 AM
Subject: RE: Loggerhead Tools Supply Agreement
Attachments: LoggerHead - Sears Contract Response 2.16.12.doc

Stephanie,

Please see the attached response to your proposed Supply Agreement Contract.

Dan Brown
President
LoggerHead Tools

From: Kaleta, Stephanie [mailto:Stephanie.Kaleta@searshc.com]
Sent: Wednesday, February 15, 2012 12:28 PM
To: Dan Brown
Subject: Loggerhead Tools Supply Agreement

Hi Dan, attached is the supply agreement through 2012. This documents our conversation regarding uncollected co-op and VIR from 2011 and holding costs. It also addresses your current proposal to reduce the current \$2.28 per unit subsidy down to \$1.50. please review and advise. Thanks for your partnership

Stephanie Kaleta
Buyer, Sears Holdings
General Purpose Hand Tools
Screwdrivers
3333 Beverly Rd C3-239A
Hoffman Estates, IL 60179
847.286.2711

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Brown Dep. Ex.
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LoggerHead Tools, LLC
v. Sears Holdings Corp.
and Apex Tool Group
Case No. 12-cv-09033
DTX 177
exhibitsticker.com

SEARS_0001158



P.O. Box 83 Palos Park, IL 60464 708-671-9034 www.loggerheadtools.com

Stephanie,

February 16, 2012

Upon reviewing the Contract Extension that you have sent, LoggerHead cannot move forward. This proposed Contract from you is exactly the type of Agreement that I advised in our last meeting (and subsequent emails) that we would not agree to this year. Simply there are too many issues for us to delineate in an email. This proposed contract does not reflect what we discussed with you in our previous meetings. Subsequently we have not been able to reach an agreement in time for a Fathers Day 2012 DRTV Promotion. As discussed with you on the phone repeatedly, and specified to you in previous emails, the current Fathers Day P.O.'s are at the wrong pricing, we will not accept the current Fathers Day orders placed at the 2011 pricing. Please cancel the outstanding P.O.'s at the 2011 price.

LoggerHead is withdrawing all previous pricing and subsidy offers. This program was calculated based on a committed forecast and agreed upon early Purchase Orders for 2012 DRTV Promotions allowing us the subsequent component cost savings. As we discussed the previous Promotional pricing is not sustainable. Without TV Promotion, the unit volume opportunity at Sears does not justify the subsidized pricing from LoggerHead. I have made this very clear to you in our recent discussions and emails. Thus, we have prepared the pricing below for 2012 purchases beginning on Feb 1st, 2012.

Below is our Standard Net Pricing for the products you purchase, we will not accept orders based on the previous pricing (that was heavily subsidized by us to encourage the TV Promotion). Also, we see no reason or benefit for LoggerHead to enter into a contract. In addition, I want to be clear that LoggerHead will be pursuing TV Promotions with all other possible outlets for 2012. It is our business goal to sell as many Bionic Wrenches as possible, and to create a strong business out of doing so for both our partners and ourselves. Despite my best efforts, you have failed to recognize what we bring to the table.

Please send us your end of year 2011 Subsidy calculations, and the supporting documentation as well as your VIR calculation and supporting documentation. Moving forward we want to stipulate that LoggerHead will reserve the right not to ship product if our Sears A/R is not current, or if Sears becomes a credit risk.

Sears 2012 Pricing Summary

8" Bionic Wrench®	Retail MAP \$ 19.99 ea.	Cost \$ 13.99 ea.
6" Bionic Wrench®	Retail MAP \$ 17.99 ea.	Cost \$ 12.59 ea.
ImmiX 10X Multi-Tool	Retail MAP \$ 29.99 ea.	Cost \$ 20.99 ea.

Standard Conditions:

- Lead Time for Fathers Day & Christmas is 120 days for forecast, with the P.O. received 90 days prior to shipping, we reserve the right to modify delivery from these terms based on demand
- FOB Cabot, PA, Payment Terms Net 60 days (current terms)
- Current Defective Program, No program exclusivity

Dan Brown
President
LoggerHead Tools

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