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**From:** Lynn Michl [mailto:lmichl@rasmanagement.com]  
**Sent:** Wednesday, July 29, 2009 1:49 PM  
**To:** Tim Boates  
**Subject:**

Tim,

As we discussed, I received a phone call late this morning on my cell from an individual I believe to be Michael Lissack. The call showed as a "private caller" on my cell. As best I can remember, the caller said something along the lines of "Why didn't you disclose your SEC situation to Bonita Bay Group?" Believing the call to be from Mr. Lissack, I hung up without responding. A short while later, I received a second call from what sounded to be the same individual, who said "Rest assured . . .", and I then hung up. After that, I received a call from a Naples Daily News reporter who said she wanted to ask me some questions about my role with Bonita Bay Group. I told her that I had no comment, thanked her for the call and then hung up.

I was involved in an administrative proceeding with the SEC in 1997 regarding matters that occurred during 1992 - 1994 while I was CFO of Terrano Corporation, a small publicly traded software company in Nebraska. As a result of the administrative proceeding, I was denied the privilege of appearing or practicing before the SEC for a period of five years that I chose not to contest because of my limited personal financial means at that time. There were no civil or criminal proceedings nor any other penalties or sanctions as part of this matter. My CPA license (Nebraska - inactive) was not impacted at all. I have since been fully reinstated to practice before the SEC and there are no ongoing restrictions of any kind on me.

While I have attached copies of the administrative order, my application for reinstatement and the order granting my reinstatement, I am providing you with an outline of the facts of this matter below:

- I was CFO of Terrano Corporation from 1990 through September 1994, when the Company was sold. I joined the company as an accountant in 1983. This was my first CFO position. I have held other CFO/Treasurer/VP of Finance positions since leaving Terrano.
- The software revenue recognition rules were evolving during the time I was with Terrano Corporation. Guidance from the FASB was changing and the accounting profession was not entirely clear on how to implement the new guidance.
- Terrano Corp was small and struggling financially. We had a lot of pressure from Wall Street to make projections and we had an extremely aggressive founder / CEO. He demanded that we take an extremely aggressive approach to revenue recognition during 1992 - 1994, while I was Terrano's CFO.
- I was not comfortable with the CEO's direction to me on our revenue recognition policy and he and I had several heated discussions about this matter. However, I eventually went along with the approach he demanded. I convinced myself that the approach was not entirely unfathomable. Clearly I should have

trusted my gut and left the company when it became clear to me that the CEO was unwilling to change his position.

- A few years later, Terrano Corp was sold to another software company. They, too, had earnings pressure from Wall Street. They decided to restate prior period earnings, which boosted their current period earnings. This prompted an investigation of Terrano Corporation's 1992 - 1994 revenue recognition policy, which led to my settlement agreement with the SEC in 1997, in which I neither admitted nor denied any wrongdoing.
- As a part of my reinstatement process, I received strong letters of recommendation from two McGladrey & Pullen audit partners with whom I have worked, as well as the CEO / owner of GMT Corporation, where I served as CFO and a Board of Directors member after leaving Terrano Corp. Copies of these letters are attached in the "SEC Docs Michl" file.
- My part in this process has taught me to trust my gut and to always make the right ethical decision, which I am proud to say that I have done since I left Terrano Corporation.

Please let me know if you have any questions or need any additional information from me.

Lynn Michl  
Consultant to RAS Management Advisors, LLC  
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ATTACHMENTS:           Exhibit 15 - SEC Docs Michl.pdf  
  
                              Exhibit 16 - SEC order granting michl  
                              reinstatement.pdf  
  
                              Exhibit 17 - SEC admin order michl 3-9516.txt



**From:** Sally Robbins  
**Sent:** Wednesday, July 29, 2009 3:35 PM  
**To:** Jennifer Laderer  
**Subject:** Phone Call - Michael Lissack

Message to give to David he said, "Lynn Michl has be suspended by FCC and permanently suspended by the state of Nebraska, David must be made aware of this. Good bye"

"Life is a gift untie the ribbon"  
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