Dear Judge Griesbach:

Re Ronald Van Den Heuvel Sentencing

January 22, 2019

The purposes of this letter are:

1) to comment on statements made by the prosecution in its January 21,2019 submission to the Court;

2) to address my background with Defendant as a creditor from 2005 to 2012;

3) disclose how I became re-involved with him in 2015 to organize the suit against Sharad Tak who defaulted on many obligations and breached numerous agreements, covenants and representations in connection with his purchase of the Oconto Falls Tissue Mill from Defendant;

4) allegations and insinuations that Defendant and I were somehow committing violations of law or orders of this Court; and

5) my sentencing comments.

Prosecutors January 21 Submission Comments

The Government acknowledges that "Aspects of the Green Box Plan are viable . . ." but cite as the sole exception to accuracy the statement "zero waste water discharge." They provide no basis for asserting it was in fact an inaccuracy. But they do seem to reluctantly admit the whole premise of the search warrant, namely that Green Box was a fraud, was simply wrong and false from the beginning. As discussed below, it was the calls and accusations that Green Box was a fraud by a Deputy Sheriff to city officials with whom RTS was negotiating that killed the deals S.S. and Ed Kolazinski were on the cusp of finalizing. It was those actions that arguably caused most of the damage.

In mid-2017 I introduced Ed Kolazinski who is COO of CFO of RTS to TCI, a factor in Minnesota, and TCI provided a factoring facility letters to RTS and Great Lakes Tissue. Copies have been provided to Defendant's counsel. TCI is not a bank as stated by the government, but rather is a business that buys approved invoices for products delivered to creditworthy customers and advances a percentage thereof to the business pending payment by the customer. The Government asserts references to a $9.6 million federal loan were somehow false or misleading. Cheboygan Michigan is in an Opportunity Zone under the 2017 Tax Act and the USDA provides guaranties to lenders for 60% of the loan amount in poorer regions of the country. The owner of Great Lakes Tissue has had positive discussions with a local bank concerning such a loan to purchase plastic to diesel equipment to utilize a huge amount of stored plastic removed from paper in the pulping process. Cliffton was cited as being a victim of misrepresentations and told me that the equipment they funded did not work and that when they dismantled it, plastic was clogging pipes. They referred me to the equipment manufacturer who told me the equipment doe not work on plastic. However, the manufacturer in the contract of sale for that equipment represented in writing that it worked for both tires and plastic. The Government has a copy of that I am told but conveniently omits mentioning that fact. I have also been told that a certain

RTS employee tried to demonstrate the Cliffton equipment after Defendant was incarcerated, but the demonstration failed due to throwing in whole plastic buckets instead of shredded plastic as required to achieve the necessary density for the degradation process. An engineering study in the Government's possession validated that the equipment produced over 100 gallons per ton.

The government asserts he continues to try to defraud investors post incarceration. As discussed later, he no longer has any ownership interests or management role. Efforts by the family trusts to pursue opportunities does not in any way indicate fraud, but rather a desire to have his ideas and designs come to fruition and generate profits to pay creditors whether subject to a restitution order or not. Confidentiality agreements were submitted to Cliffton and Manchester and Dynamis for execution prior to discussing any investment. I am not aware that any of them signed the agreement and there were no detailed negotiations or due diligence on any form of funding.

Background

I am currently the sole owner of Stonehill Financial. LLC, a Minnesota limited liability company, which is currently engaged in the consulting business and formerly owned various limited liability companies which engaged in the acquisition at a discount of distressed commercial and industrial loans from banks and financial institutions. In 2005 one such entity, SHF XII, LLC, acquired twenty plus million dollars of debt from CB Marine bank. The obligors included companies related to or formerly related to the Defendant including Nature's Way Tissue owned by an Indian tribe, Oconto Falls Tissue, Inc. and other entities owned in whole or in part by Defendant. All or substantially all of Defendant's debt was personally guaranteed by him and partially guaranteed by affiliates controlled by some of Defendant's family.

I have been an attorney licensed in Minnesota in good standing since 1974 after graduating from Washington University School of Law in St. Louis, Missouri. Following law school, I was initially on active duty and thereafter in the reserves with the USAF JAG office in Duluth, Minnesota while in private practice in central Minnesota. In 1978 I became in-house Corporate Counsel for Arctic Enterprises, Inc. and in 1982 I joined Lindquist & Vennum in Minneapolis eventually becoming the Chair of the Bankruptcy and Reorganization Group until I retired from the active practice of law in 1998. In the course of my practice I represented numerous debtors across the country including Carver Yachts in Pulaski, Wisconsin and became acquainted with numerous Wisconsin attorneys as a result of that case and others.

Thereafter I co-founded Stonehill Group, LLP which provided expert litigation testimony on complex financial matters and consulted with troubled companies on turnarounds. In the early 2000's I was approached by a former client to engage in the purchase and management of distressed commercial and industrial loans, initially with funds loaned by them under a Master Loan Agreement. We hired a former managing partner of Ernst and Young, a former commercial banker, analysts and support staff to pursue the distressed debt business. Over the years, we acquired and managed over $200 million in face amount of distressed debt.

Although not involved in the criminal matters, it appears the whole basis of the charges and pleas originally stemmed from an Affidavit prepared by the attorney for both a judgment creditor and Sharad

Tak. alleging Green Box was a fraud. After talking with Ed Kolazinski, the CFO/COO of RTS f/k/a Green Box and EARTH, I became convinced that Green Box was certainly not a fraud, but rather a unique and novel process that could take food contaminated waste, disinfect it, separate out the paper fibers from the poly coating, make recycled paper approved by the FDA for reuse with food products and convert the poly into fuel by a couple of methods. Millions were reportedly spent on development, engineering experts and investment bankers who validated each phase of the process. I also learned that RTS was close to consummating deals in several U.S. cities and Ghana. I do not know how the government made the allegation that Green Box was a fraud stick, but it resulted according to Ed Kolazinski and S.S. in torpedoing deals on the cusp of completion causing hundreds of millions in losses to RTS. Due to the cratering of these deals, the relationship between Defendant and Smith and Kolazinski rapidly deteriorated into finger pointing and a blame game. So, if Green Box was a fraud, the technology of RTS is worthless. If not a fraud, the technology as stated by executive officers of RTS is extremely valuable and worth protecting.

Following the 2005 acquisition of the CB Marine debt, we hired Wisconsin counsel to sue Defendant, foreclose on tissue converting equipment owned by the Indian tribe, and sue the family-controlled company on its limited guaranty. SHF XII's collateral included liens on certain assets related to Oconto Falls Tissue Inc. ("0FTI") in Oconto Falls, Wisconsin. In the course of our loan acquisition due diligence, we learned that Enron had been an investor in OFTI and Enron's demise required Defendant and affiliates to refinance large portions of the OFTI debt. In 2006 SHF XII was told that Defendant was selling the assets of OFTI to Sharad Tak who was backed by Goldman Sachs and all debts including our debt would be paid in full in cash.

We were told in early 2007 a Goldman Sachs participant withdrew its funding and the Goldman term loan was being reduced to as I recall $65 million which was insufficient to pay all creditors. Tak and Defendant reached agreement to propose that the previously agreed OFTI seller financing amount be increased to make up for the cash shortfall and that the increased seller financing amount, approximately $32.5 million, be split into four "Seller Notes" so that various creditors could be given notes as substitute collateral for releasing unsatisfied liens. SHF XII was approached to take two $8 million Seller Notes, Seller Notes 1 and 2 as they became known, as substitute collateral for the release of its liens on OFTI assets to permit the asset sale to be closed. As a result of this request to forgo being paid in full in cash, SHF XII was required to undertake an expedited review of the entire loan and other legal documentation. That background was the basis for Defendant wanting to retain me in 2015 in connection with the Seller Notes case.

Without getting into what would be an extensive discussion, we accepted Seller Notes one and two as substitute collateral. Buyer's counsel's opinion letter did not disclose the bankruptcy of Tak Communications in the early 1990s. In 2016 a bankruptcy attorney friend in Madison Wisconsin told me that Tak had defrauded east coast and Minneapolis banks of millions. Had that been disclosed by Tak's counsel in its legal opinion I would not have agreed to take Seller Notes as substitute collateral.

It was learned much later that Tak had not contributed the full required $20 million of equity and had modified the EPC to a much smaller amount than the required $20 million. These were clear breaches and violations of the Goldman documentation upon which we and other creditors relied. Further we learned that after paying sales commission fees of about $200,000 per month for nineteen months, Tak

suspended payments under the Sales and Marketing Agreement tied to a long-term purchase contract through 2022 negotiated by Defendant with SCA, one of the world's largest paper companies. I further have learned that Tak had negotiated an approximate $40 million discount with Goldman on its $65 million term debt by paying Goldman $24 million from a tax increment financing on the mill. Instead of reporting original issue discount income of the debt discount amount and paying tax thereon, Tak and his counsel caused a second mortgage in the principal amount of the outstanding Goldman debt to be filed shortly after Goldman satisfied its mortgage even though no funds were advanced in connection therewith. This questionable mortgage filing was apparently used to avoid paying tax on debt forgiveness income. Additionally, that second mortgage has been argued by Tak to be perma-debt and used as his excuse to never have to pay the Seller Notes. Tak has refused to provide documentation required under the Goldman documents.

In 2012 I sold SHF XII and its subsidiary Stonehill Converting to an affiliate of SHF XII's lender and I retired.

2015 engagement

Due to my involvement in the 2007 Tak closing documentation review, in early 2015 Defendant contacted me requesting that I get involved in potential litigation against Sharad Tak and ST Paper to collect on the Seller Notes. Defendant indicated he and the other executives of Green Box were totally engaged in Green Box deals and he had virtually no time to devote to the Seller Note case. In April 2015 I was retained by contract as a non-attorney consultant to help prepare and oversee the Seller Note litigation in consideration for a percentage of the Tak recovery and a monthly amount. Jn such capacity, I reviewed over 40 boxes of documents in De Pere, Wisconsin, collected what I determined to be important and relevant documents which were put into an electronic Drop Box, and prepared a prelitigation memorandum outlining my assessment of the case against Tak. I subsequently located a litigation boutique in Milwaukee to review my documentation and prepare a draft complaint for the purpose of obtaining litigation financing from a litigation financing firm to fund the anticipated expensive litigation. We were told that ST Paper was making north of $1 million per month so their legal defense fees would not be an issue for them.

In July 2015 I learned that all documentation in the De Pere office building was taken by Brown County. Among the documentation taken were my work papers and bound volumes of closing documents. Luckily litigation counsel was able to use the Drop Box documentation to prepare the Seller Note case which was initially filed in the Eastern District of Wisconsin. Due to the allegations against Defendant, litigation financing firms declined to take on the case, the litigation firm with drew and Attorney Mike Ganzer took over that case on substantially the same terms as two other cases he was handling against Tak.

Subsequently I agreed to amend my consulting agreement to act as a "third- party payment agent" for companies involved in the Tak litigation for the purpose of paying bills related thereto and other matters. I met with my long-time personal private banker fully disclosing Defendant's issues to her and it was determined the accounts could be opened with the requirement that Defendant not be an owner or signer on any account and an officer of the companies other than Defendant or I be a signer on the accounts.

Allegations of post-plea impropriety by Defendant

I am informed that all of Defendant's stock ownership has been transferred to family trusts and therefore does not have any equity interest or management involvement going forward. He has stated his involvement would be limited to acting as a technology consultant.

I am told that various persons have intimated that I have been involved with Defendant in wrongful and nefarious financing activity intended to somehow defraud creditors. These allegations are patently not true, and I resent any attempts to attack my character in connection with allegations against Defendant. As part of the criminal proceedings, I was informed the Court ruled that if parties signed a disclosure document, Defendant would be free to discuss business matters with them. I am told that document has been signed by numerous parties. Somehow the government is trying to turn contacts with potential interested parties in funding business endeavors by the trusts into some sort of a continuing enterprise to defraud creditors. First, the trusts control all companies, not Defendant. Secondly, S.S./Kolazinski are trying to do the same acquisition as the trusts but for their own benefit, not the creditor constituencies and all shareholders. The trusts and Defendant have both indicated that profits from an acquisition and the Tak litigation proceeds would be used to pay all creditors. S.S. apparently believes he is the sole creditor with a right to any proceeds or profits. That is a very novel debtor/creditor law belief. Third, the government is apparently trying to allege that establishing a factoring arrangement with TCI somehow constituted fraud. Factors buy receivables from credit worthy customers so the product must be delivered before there is an invoice that can be purchased. In 2017 I introduced Kolazinski and RTS to TCI and TCI responded with the terms on which they would purchase RTS invoices. Was that fraud? Later in the year, TCI was introduced to Great Lakes Tissue Company and once again, TCI indicated the terms on which they would purchase invoices. Is that fraud? What is wrong is the obvious attempt by the government to interfere with legitimate business pursuits of RTS and the family trusts and black ball Defendant and me in the process. That is very disturbing conduct by the government.

Along the same lines, In the summer of 2017 I received a series of letters from my bank unilaterally closing all accounts I had opened with my private banker for the intended purpose of paying litigation counsel and other expenses. Defendant was not a signer or owner of those accounts. In addition, the bank closed my personal, business and wife's accounts. Why after decades of great relationship would the bank do that? Obviously, government accusations and threats. The bank refused and continues to refuse to disclose the basis for such actions which harmed me, my business and caused my spouse severe emotional distress. I retained counsel to pursue damages caused by presumably agents of the government and the bank. [The reason for including this side bar is that I am concerned parties will attempt to discredit me and my wife and the contents of this letter and thereby attempt to deflect actionable claims against the interfering parties including the bank.]

Further, the government has apparently threatened certain creditors who were contacted in an effort to reach a Composition Agreement and explore any interest in the GLT transaction. Asking a person if they have any interest in making an investment, does not constitute fraud when no reliance on information was requested or none given. In other words, there is no deal unless there is a contract. None even came close to that threshold; no due diligence has been conducted and no legal documentation drafted or proposed.

Ed Kolazinski (an executive officer for several years of RTS f/k/a Green Box NA Green Bay and its related entities and successors, herein "Green Box") and Defendant prepared drafts of Excel spread sheets

attempting to capture the amounts owed to creditors by the numerous entities involved in the Tak litigation and Green Box. I had not been involved in the Green Box concept but have been told that Green Box proposals for Houston, Detroit, Ghana and perhaps others were very close to fruition in 2015 after having undergone extensive engineering studies validating the Green Box process and paying for reports from nationally accredited firms and well-known Investment banking firms used to validate the Green Box premise. I am also informed that China or a Chinese company may have converted the Green Box process and one or more cites in China are operating. Mr. Kolinski and other long-time officers of Green Box including S.S. should be able to validate the specifics about Green Box not being a fraud. The Brown County Deputy's assertions to city officials and the press appear to have resulted in tens of millions of damages to Green Box, its investors and creditors. In other words, had these transactions closed as was anticipated by the executive officers of Green Box, Defendant's debt would have diminished dramatically or been eliminated and limited or no restitution required.

The relationship between Defendant and a Green Box investor, minority shareholder and officer has been contentious. Last summer, I drafted a proposed Global Composition Agreement in an effort to resolve the disputes between the shareholders and reach an agreement as to priority of payments out of the Tak litigation and profits from a potential acquisition of a mill in Michigan to which numerous upgrades and add on projects conceived and engineered by Defendant were to be completed. The Investor and the Trustees that control of Defendant's holdings have been at odds on the potential acquisition which Investor is reportedly trying to do independently. The attempted Global Composition has thus far been unsuccessful. I am told that Investor has asserted to a federal agent that efforts by entities owned by the Trusts to pursue the acquisition are somehow nefarious and wrongful. I was told that if parties signed a disclosure document concerning Defendant's criminal charges, he was free to hold discussions with them. Due to the existing restitution order, he needs to be able to discuss transactions based on full disclosure. Any discussions I have been a party to have not reached a level of investors performing due diligence on the suggested transactions. Again, Defendant cannot have any ownership or management involvement, but only technical consulting assistance may be provided, and all profits are intended by Defendant to be paid to creditors until they are paid.

Sentencing

Based on my involvements with Defendant since 2005, I offer the following statements for consideration by the Court in rendering its sentence:

1. I have repeatedly sued Defendant and his intended repayment ideas have rarely been achieved.
2. He recognizes he owes tens of millions of dollars to many creditors, including me, and wants to pay them with proceeds of the Tak Litigation and potential earnings of a proposed mill acquisition and upgrades thereto of his design and creation.
3. He recognizes that he cannot be involved in any company as an owner or manager.
4. His talents are in engineering and creatively making things work that others could probably never make happen.
5. I have never met or been involved with a business person that is as driven and obsessed to succeed as Defendant.
6. I have never been involved in a debtor/creditor workout or bankruptcy case of this magnitude where virtually all obligations of multiple entities have been personally guaranteed by the chief executive officer without requiring personal guaranties from other owners.

7. Where Defendant has personally guaranteed virtually all company obligations including repayments of 100% of investors' investments with interest (who had also received stock ownership out of his ownership interests as kickers to the loan amount), I cannot conceive of a way he could possibly have thought he would successfully defraud those creditors of tens of millions of dollars.
8. Millions of dollars were spent by Green Box on expert reports and investment banking underwriting to validate the process in order to close the imminent Houston, Detroit, Ghana and other Green Box deals.
9. He has told me he recognizes his multitude of sales pitches and presentations were over-zealous and not retroactively updated on Green Box and other websites as facts changed.
10. It appears the basis for Brown County obtaining the initial search warrant, namely that Green Box was a fraud, was unfounded based upon discussions with executives of Green Box who worked for years validating the Green Box process and were on the cusp of closing Green Box deals. The Government's submission appears to now acknowledge that.
11. His brilliance in creating, documenting and making the Green Box process work is real and executives of Green Box have stated that the technology he created is a very valuable asset of Green Box.
12. Where restitution has been ordered, he should be allowed with reasonable restrictions to actively assist with the Tak litigation and assist the family trusts and other shareholders pursue transactions where his technical creations and continued input provide value to creditors and shareholders.
13. I suggest the Court limit the time to be served with appropriate restrictions on his person after release and order a longer probation period requiring him to work towards repaying creditors and creating value for investors.

Respectfully submitted,

Donald C. Swenson

Stonehill Financial, LLC

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