

Gunther Karger
14950 SW 86th Avenue
Village of Palmetto Bay, Florida 33158
tel: 305-378-0311 e-mail: gunther@ieee.org

July 6, 2004

Re: Bky No. 03-35458(DDO) - Astrocom Corporation, Debtor - Chapter 11

Response by Gunther Karger to Debtor's Motion objecting to Claim No. 48

May it please the Court to receive my answer to Debtor's "Objection to claim Number 48 dated June 22, 2004 with this filing submitted to the Court.

I am also attaching herewith the "**Proposed Court Order dismissing Debtor's objection and allowing Claim Number 48**" for the convenience of the Court.

I certify that I have submitted this "**Answer**" in advance of the deadline specified and served copies of this filing to the following parties who were served the "**Objection**" by Mr. Thomas Miller, attorney for Debtor.

I certify that "**response**" was transmitted via via Fedex or First Class Mail to the following:

Office of the United States Trustee
1015 United States Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Thomas F. Miller
Attorney For Debtor
130 Lake Street West
Wayzata, MN 55491

Medica
C/O Jane S. Welch
333 S. 7th Street Ste 2000
Minneapolis MN 55402

Respectfully submitted,


Gunther Karger
"Pro Se"

(30)

United States Bankruptcy Court
District of Minnesota

In re:

Bky: No. 03-35458(DDO)

Astrocom Corporation
Debtor

Chapter 11

Response by Gunther Karger to Debtor's Motion objecting to Claim No. 48

I am Gunther Karger residing continuously for the past 37 years at 14950 S.W. 86th Avenue, Village of Palmetto Bay, Florida 33158

I respectfully **move** that the Court **dismiss** Debtor's motion to deny my claim (No. 48) on the basis that my claim is well justified and that a number of allegations made in Mr. Ronald Thomas Statement supporting Astrocom's "motion to object to and dismiss my claim" are without merit, baseless and incorrect.

First, I totally reject the statements made in Astrocom's objection **and** supporting statement by Mr. Thomas on the basis that it is not based on true facts and respectfully ask the Court to allow Claim Number 48.

Second, Mr. Thomas alleges that I seek compensation from the company for writing reports to my paid subscribers to my reports. **This is untrue**. Since the inception of our newsletter in 1980, nearly a quarter of century ago, I never requested nor accepted fees for our newsletter or reports **from companies written about in them**. Further, these commentaries were not made as an investment adviser as Mr. Thomas alleges, but as an "editor" and consultant. I terminated our subscription based newsletter in March of 2002 but on occasion issued infrequent gratis commentaries updating former subscribers as my personal commitment to my moral obligation owing to the difficult circumstances all of us were placed in due to severe market conditions. This became particularly necessary as a result of the company's very infrequent information outflow to shareholders. Most importantly, the hallmark of our reports and newsletter was the "sharing" of information because we ourselves were shareholders personally in each company mentioned and this was always fully disclosed.

Third, Mr. Thomas alleges that I seek compensation for reports wherein I provide paid subscribers information relative to investment merit. **This allegation is untrue**. We never over the 20 years we have engaged in research have ever charged a single company for generating reports wherein companies are recommended for investment. **Furthermore, such allegation is troubling, potentially libelous and I personally resent such allegation as it suggests we were engaged in unethical and inappropriate practices** which is totally untrue. I am a lecturer on corporate governance and ethics and as the author of the book, "**Thieves on Wall Street**". We abhor people and companies engaged in unethical and illegal practices and assist authorities in stopping them, for the benefit of the investor community.

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Page 2 - Gunther Karger's response to Astrocom's Motion to dismiss claim

Fourth, the services for which I seek compensation **solely** apply to my assistance to Astrocom and its investment banking firm, R.J. Steichen and its successors and its principal representative in raising private placement funds and help marketing Astrocom's products. I specifically generated reports to help Mr. Philip Smith who distributed these reports to his clients. This has nothing to do with any prior investment "newsletter" distributed to paid subscribers as incorrectly alleged by Mr. Thomas and Astrocom. In these reports I specifically explained in layman terms understandable by non-engineers what Astrocom's "PowerLink" is. These reports of which Mr. Thomas was fully aware of and even reviewed for technical accuracy prior to their issue, materially helped Mr. Smith raise at least \$500,000 on behalf of the company, during at least the last several private placements issued by Astrocom. Mr. Thomas was fully aware of this activity and both he and Mr. Smith thanked me for my effort therein. The funds raised via this contributing effort were critical to the continuing of Astrocom's business. Since I never received any compensation for any of this work from anyone, Mr. Thomas and I had discussed possible compensation in the form of Astrocom stock I **attach** a letter to Mr. Thomas dated April 2, 2002 which specifically addresses this issue and was told by him subsequently that he would take it under advisement.

Fifth, when early in 2002 it became known that Astrocom needed to raise additional funds to maintain its business, I initiated an effort to bring in large institutional investors. With the knowledge and concurrence of Mr. Thomas, I contacted top officers and directors of companies such as Warburg Pincus, Advance Fiber and ADC Telecom **and others** in this effort but the August 11 Chapter 11 filing stopped this effort.

Sixth, I also seek compensation for bringing to Astrocom significant **marketing opportunities** over time and as recently as 2002, some of which were followed up by company personnel. I contacted the top official of Homeland Security in February of 2002 as Astrocom's product is ideally suitable for critical emergency communications "always on" requirements. Mr. Marius Poliac, Director of Astrocom followed up on this in Minnesota with appropriate state officials concerned with this. I contacted Mr. Julius Kroll, Senior Chairman of Kroll Inc. in August of 2002 as his firm is the world's most prominent in security and risk management. One of his divisions actually tested the Powerlink. I contacted the Miami-Dade County School board via one of the School Board members who is a personal friend with the appropriate official considering the PowerLink. I worked with Astrocom's then senior marketing person, Mr. Brad Pierson in this regard. I arranged a meeting with senior officers of the Proxim corporation November of 2002 to discuss that company using Astrocom's products in its wireless broadband business and I personally set that meeting up which was held with Astrocom's representatives at Proxim's Hq. In California. Several years prior to this period, I introduced Mr. Thomas to a senior officer of Kaneb Services of Dallas which had just received a large contract to supply telemedicine services to the Federal government and needed technical expertise. All of these efforts were done with Mr. Thomas or his marketing officer's knowledge.

Seventh, clearly, none of these efforts had anything to do with rendering paid investment advice to my clients who as of this time **no longer existed** as we had stopped that service early in 2002. I rendered this service because I was loyal shareholder trying to help the company during a difficult time **and** with the knowledge that eventually, if the company survived, I would benefit from this effort via equity participation and Mr. Thomas knew this.

Eight, the opportunity to recover our personal investment in Astrocom stock approximating \$100,000 was foreclosed by the company's Bankruptcy in August of 2003. That prompted my statement for services and subsequent Claim Number 48 which would enable me to retain the opportunity for a very nominal and token non cash equity participation should the company survive post Chapter 11.

Now therefore, I, Gunther Karger, respectfully ask the Court to **dismiss** Debtor's motion objecting to my Claim Number 48 and that this claim be duly included in the claims to be honored in accordance with the "Chapter 11 Reorganization Plan" filed by Debtor or any revisions/modification thereto amended by the debtor or ordered by the Court.

Dated July 7, 2004


Gunther Karger
Claimant

Attached: 1. Letter to Mr. Thomas dated April 2, 2002 referenced herein
2. Order to reject the "Objection" and allow Claim Number 48

I **certify** that copies of this "**response**" and attachment have been provided via Fedex or First Class Mail to the following:

Office of the United States Trustee
1015 United States Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Thomas F. Miller
Attorney For Debtor
130 Lake Street West
Wayzata, MN 55491

Medica
C/O Jane S. Welch
333 S. 7th Street Ste 2000
Minneapolis MN 55402

Attachment

Discovery Group, Inc.

Management consultants
Gunter Karger, President

14950 S.W. 86th Avenue, Miami, FL 33158 Tel/Fax: 305-378-0311 email: gunther@leee.org

Mr. Ronald Thomas
CEO, Astrocom Corporation
Via e-mail
April 2, 2002

Dear Ron,

I personally congratulate you in raising yet another round of capital despite a difficult capital market. This is a testament to the confidence investors who know you and the company.

This is also an appropriate time to reflect on the support we, Discovery Group, Inc and myself personally have given Astrocom over the past five years. During this time, since the \$1.00/share private placement \$3.5 million capital, I have supported the company by bringing in several investors who in aggregate to the present provided at least \$500,000 and I personally participated as well in each of the funding rounds except the present financing just now closing. I have over this time written reports specifically used by the brokers offering the securities which materially helped them secure the investors and the funds. Specifically, in present round, I prepared a special report describing the PowerLink, its applications and use in layman terms which Phil Smith used and as he has confirmed, materially helped him in the present very difficult financing round. Beyond this, I am likely responsible for bringing in in excess of a million shares as a result of our work and credibility over the years among public investors. Further, I provided significant sales leads for company products over the years and in particular during the past several months, identified specific leads for the PowerLink, contacted a few and provided the contacts to the company. I at no time was ever compensated for any of this work as such was never offered nor did I seek it. I did it all for the good of the company and all its shareholders and in the name of "doing what's right" supporting a management team I believed is very honest which has become a rarity in business.

As a result of the poor general market conditions the past two years and in particular as a direct result of our continuation to support Astrocom despite the lack of sales, we closed our equity research business as a result of credibility loss. This is the reason why we have not issued any recent reports nor will we as we announced recently. We are now focused entirely on special projects and assignments including our investor education effort which for your reference does not address specific companies nor does it bring us any meaningful revenues. It is our "ministry" to help investors better understand the markets and cope with the rising unethical behavior of management and the financial services industry.

Given the support I personally and through Discovery Group Inc. have given the company and continue to give, I believe that I have earned something as my work has materially benefitted the company over the years and specifically assisted in securing the present financing. I seek no cash as all the cash you raised should be used to jump start the company's sales. However, I sincerely believe that issuing to me a nominal block of shares of say 25,000 in recognition of this work would be doing the right thing as a one time consulting fee and I suggest that it be issued at this time as a "fee in connection with the current funding".

Ron, in closing, I wish you and the company success.


Gunter Karger

United States Bankruptcy Court
District of Minnesota

In re:

Bky: No. 03-35458(DDO)

Astrocom Corporation
Debtor

Chapter 11

**Order to allow Claim Number 48 by Gunther Karger
and reject Debtor's Motion to dismiss said Claim**

At St. Paul, Minnesota this _____ day of July, 2004.

This matter was presented hearing before the undersigned judge of the above Court on July 21, 2004 upon the Notice of Hearing and Debtor's Motion Objecting to Claim Number 48 filed by Gunther Karger which was subsequently duly responded by Gunther Karger.

Upon consideration of the arguments presented by Debtor and Gunther Karger in his "response" and upon all records, files and proceedings herein,

IT IS HEREBY ORDERED:

That Claim Number 48 filed in this matter by Gunther Karger will be honored in its entirety and shall be included in the creditors allocation of equity or other such consideration specified by Debtor's Chapter 11 Reorganization Plan or any revision thereto as the Court may order.

BY THE COURT:

Dennis D. O'Brien
United States Bankruptcy Judge