

United States Bankruptcy Court
District of Minnesota

In re:

Bky: No. 03-35458(DDO)

Astrocom Corporation
Debtor

Chapter 11

Objection to Disclosure Statement and Reorganization Plan
Motion to dismiss until the deficiency is cured

I am Gunther Karger residing at 14950 S.W. 86th Avenue, Village of Palmetto Bay, Florida 33158 and Certify that I am Claimant Number 48 in the matter before this Court.

I respectfully beg the Court to reject the Disclosure Statement and Reorganization Plan submitted by the Debtor on the basis that it lacks adequate board supervision of Astrocom's management and that the Court reject the "Plan" until this deficiency is cured. I continue to respectfully ask the Court to approve Claim Number 48 and reject Debtor's objection thereto.

First, the **Board of Directors**" submitted by Debtor consists of precisely the same persons who have served since Mr. Thomas assumed his responsibilities several years ago. Although the Company at that time admittedly had problems, it did have resources, products and revenues in the millions of Dollars annually. Under Mr. Thomas leadership, the revenues dwindled steadily down while the company raised millions through private placements. Goal after goal was missed year after year until the funds became grossly depleted and a staff of over 20 employees dwindled down to about five full time persons with revenues dropping to a nearly nonexistent level.

Second, during the past few years, shareholders made recommendations intended to raise additional capital, target new customers and indeed even identified specific industries and potential customers. The prior and present Board and management ignored such recommendations while continuing to pursue the same strategy which basically was to continue develop a single product without selling the products already developed. This further depleted financial resources while leading the company to the brink of extinction. Admittedly, a weak economy contributed to this problem but was not the principal reason for Astrocom's failure.

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Third, during the months prior to debtor filing Chapter 11, the CEO became concerned about a competitor potentially lodging a patent infringement suit against the company. This concern arose out of the failure of the CEO to seriously heed suggestions to protect the company's technology by applying for patents. This concern of a potential patent suit became a primary reason for the company to declare bankruptcy using this means of going private thus facilitating the transfer of majority ownership from shareholders to the few secured creditors who coincidentally are also the directors of the board. A secondary concern for Astrocom were the rising costs of compliance with the new regulations for publicly held companies.

Fourth, I supported management and its board of directors over the past several years on the basis that they would use the incremental funding I helped Astrocom secure to adjust its strategy adaptive to the changing times. Unfortunately, rather than making such changes, it continued its policies which led to its refuge in bankruptcy court.

Fifth and finally, debtor now submits **the same slate of directors** in the Disclosure Statement and Reorganization Plan, **the very same directors who failed to address serious company problems and provide adequate guidance to management despite multiple pleas from shareholders on whose behalf they served**. Now, these same directors will, if the Court confirms the Disclosure Statement, continue serving the new shareholders who were the creditors. I clearly herein do not question the expertise of these directors. I do however question how much they were concerned about Astrocom while they served as Directors and how much oversight they provided management. It is likely that their primary concerns were more their own business and personal interests and indeed may have only served as token directors.

Now therefore, I respectfully request the Court to reject the "**Plan**" as submitted on the basis that it provides inadequate board supervision because the same directors will oversee the same CEO. I am concerned, on behalf of the Creditors, that in a short time, the company may again fail and thus have wasted the opportunity of creditors now are offered to recover their investment as new shareholders. **I therefore respectfully ask the Court to request Astrocom to resubmit a new slate of Board of Directors to include at least two new qualified and independent directors** so that the new Astrocom may have a reasonable chance to succeed. I fear that the company could fail again if not some fresh persons are selected to serve the company and possibly give the CEO redirected guidance. Clearly, some change is indicated based on logic, circumstances and the track record of the board as submitted. I furthermore believe that it would be in the best interest of the company and in the "**spirit**" of **Sarbanes -Oxley** Federal Law to separate the positions of CEO/President and Chairman of the Board even though the this legislation applies to publicly held companies and it is not clear whether the restructured Astrocom becomes a private or public company. Becoming a "**nonreporting**" shareholder owned company still causes the company to be publicly held although without a current public market for its shares.



Gunther Karger

Claimant

Dated August 23, 2004

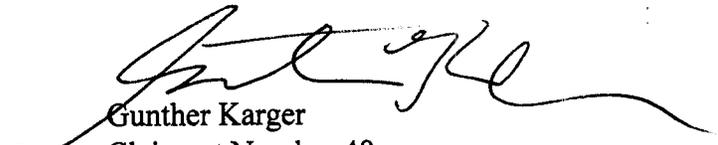
I certify that copies of this "response" and attachment have been mailed via First Class Mail or fax to the following:

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Gunther Karger
Claimant Number 48

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**Order to Reject Disclosure Statement and Reorganization Plan as submitted by
Astrocom.**

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

Upon consideration of the motions and information presented the Court concerning the Company's management plan including specifically the new board of directors,

IT IS HEREBY ORDERED:

That the Astrocom submitted Disclosure Statement and Reorganization Plan is rejected pending the curing of deficiency identified on the Board of Directors to provide improved oversight of company management.

BY THE COURT:

Dennis D. O'Brien
United States Bankruptcy Judge