

EXHIBIT 107

From: John Thomas
Sent: Friday, April 10, 2020 12:28 PM PDT
To: Wong, Michael@DGS
BCC: Ethan Bearman; ethan@blueflame.agency
Subject: Re: 100M Mask Order

Dear Michael,

I know it's been a while since we have had these conversations but at no time did you and I discuss providing anything other than the model numbers you suggested were approved for the state of California. You are correct that our sales sheet did offer 3M masks along with 11 other models at that time in addition to 3M masks (3M's were listed at \$6.89 per mask) but our discussion was never related to the 3M brand. I was clear that we were only focusing on the approved brands you said California was looking to procure. I have reviewed all of our correspondence both via email and text and at no time was 3M mentioned as a desired manufacturer or model.

Here are the four non-3M models we discussed:

DTC 3B
DTX 3X
L-288
SEKURA-321

Are these still the approved models that California is looking for? Are there any others that are now approved? We offer other FDA approved models as well.

As a side note 3M's N95 masks are four digits including some examples like 1860, 8210, 1870.

I appreciate the clarification as we want to be crystal clear on what you need and what we can provide. Relating to price and to be fully transparent, the current quote for the above models we discussed is likely to fluctuate again very soon. I can honor this current pricing estimate only for another 24 hours without a commitment from the State.

Hope this helps clarify what we can provide. Please let me know if I can answer any other questions or if you want to do a quick phone call to go over this in more depth. I'm sure you are swamped with a million emails these days.

Kindest regards,

John

On Fri, Apr 10, 2020 at 10:13 AM Wong, Michael@DGS <Michael.Wong@dgs.ca.gov> wrote:

John,

The original sale sheet sent to me on March 23, 2020 listed 3M N95 masks specifically. Moreover, in an email to my colleague on March 20, 2020, you indicated that you have specifically 3M brand N95 masks. All of our conversations and correspondence were predicated on the products being 3M brand. We must be absolutely certain on the goods we are purchasing if we execute an order.

Respectfully,

Michael Wong

Contracts Administrator

Phone: 916-441-9619

Email: Michael.Wong@dgs.ca.gov



Beware of Fraudulent Activity! – DGS has recently been made aware of fraudulent Purchase Orders and Spoof emails issued to the vendor community. Always confirm the validity of any Purchase Order by contacting the agency making the request. Do not process any order that appears suspicious. Do not click on any hyperlinks from a suspicious email. A list of State agency contact information is provided on the DGS website located at <http://www.dgs.ca.gov/pd/Programs/Delegated.aspx>. Be vigilant by confirming valid State of California emails and phone numbers at <https://cold.govops.ca.gov/>. Vigilance is everyone's responsibility. For more information please visit <http://www.dgs.ca.gov/pd/Home/FRAUDALERT.aspx>.

From: John Thomas <john@blueflame.agency>
Sent: Friday, April 10, 2020 8:43 AM
To: Wong, Michael@DGS <Michael.Wong@dgs.ca.gov>
Subject: Re: 100M Mask Order

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Dear Michael,

To clarify, at no point did we suggest that we could supply 100 million 3M manufacturer brand masks. We only discussed sending 100 million of California's approved models of N95 masks.

I have attached the original invoice which delineated the models we agreed to provide. Here is a screenshot of that invoice below:

DATE	ACTIVITY	DESCRIPTION
03/25/2020	N95 Masks	N95 Mask Models: DTC 3B DTX 3X L-288 SEKURA-321

Regarding the price of the approved models we can provide, pricing is volatile in today's market. Due to high global demand for masks and the raw materials to make masks our pricing changes every 24 hours from our manufacturer. This is why such a significant deposit is required so that we can lock in your price for the full order. It has been more than two weeks since the original price we discussed and demand for this product has only increased causing the manufacturer's cost to skyrocket. This is one of the main reasons I was urging the state to follow through on their original transaction.

We truly do want to provide critical PPE to my home state and this is of a high priority to us but we are going to run into another pricing increase if the State decides to wait much longer. There is not a single PPE item we can supply that has not seen a price increase from two weeks ago.

If you need further clarification I am more than happy to discuss via phone or on a call with your executives.

Thank you for your effort on this.

Sincerely,

John

On Fri, Apr 10, 2020 at 8:03 AM Wong, Michael@DGS <Michael.Wong@dgs.ca.gov> wrote:

Hi John,

Just to recap from our call yesterday, we originally had a quote for 3M N95 masks for \$4.76, but I think you mentioned yesterday that the masks are not 3M. Can you please clarify? I have to brief my executives on why we would be paying more for non-3M masks.

Respectfully,

Michael Wong

Contracts Administrator

Phone: 916-441-9619

Email: Michael.Wong@dgs.ca.gov



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