



"I view it!"

November 2, 2000

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Dear Jeff:

As a follow up to the conference call iViewit and Warner Brothers hosted yesterday and your conversation with Eliot afterwards, I am giving you some of my recollections and quotes regarding the five (5) short presentations that David Colter, VP for Advanced Technology at Warner Brothers, provided for us on Wednesday. I understand that you would like our impressions of what David said at all five meetings, since you were only in attendance at one of them. I also understand that you would like to forward these thoughts to your guest at the first session, Mr. Scott Carpenter from the Anschutz Digital Media group.

David Colter and Warner Brothers/Time Warner have been looking at our technology for the past eight months. They have visited our facilities, and they are fully sophisticated and familiar with our industry, the applications of our technology and the future direction of these technologies in our competitive markets.

David has said that after the most intensive reviews, his group and infrastructure is to facilitate us in whatever ways possible to help iViewit move its business and technology forward. They are under an NDA (something they rarely do!), and they have seen our patents pending. They consider iViewit's "technology and patents" to be "fundamental" and "of critical importance" not only for internet applications, but across a broad spectrum of applications as a possible standard for such areas as broadcasting, wireless transmission, instrumentation (i.e., cameras, scanners, etc.), DVD, HDTV, plus a myriad of other uses. Warner's decision to speak on our behalf yesterday represented a starting point for them to publicly acknowledge this.

In the various meetings yesterday, Colter was drawn out by analyst questions and addressed a number of issues. Warner is still playing it very conservatively with respect to some business issues because they will in the next couple of weeks or so have finished their review of the licensing and broad approaches for this intellectual property and how it would apply regarding broad licensing (i.e., MPEG pools and others) in many business spaces. At the conclusion of that phase, we would expect Warner Brothers and Time Warner to discuss with us their possible business/equity interest in iViewit. Hence, their otherwise somewhat cautious comments with other potential investors yesterday.



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November 1, 2000  
Friedstein Letter (page two)

Warner Brothers is currently and immediately beginning a series of gradual rollouts of the iViewIt technology in several areas, including WB Online and Entertainment, plus "digital dailies." However, their interests far transcend just the internet. They are looking at it for possible uses in DVD, broadcasting, and theatre environments. David Colter also said that they want to develop with us an expanding collaborative R&D program, and they have introduced us to leading entities that they believe will also become leading complementary technologies in the future of visual content processing, encoding and delivery where he identifies iViewIt's technology as a "critical" and "central" driver. Colter called our patents "very key" in another phone call. He said that the small size of our Company did not present any obstacle for a Company like Time Warner to be significantly involved in. He said his goal and the corporate strategy was to find the very best platforms, blend the best through working relationships with other companies that were becoming recognized as leaders in (1) the pre-processing of video before encoding, (2) enhancements for existing MPEG 2, and (3) variations and improvements to MPEG 4.

With respect to our pending patents, he said they were very broad, mathematical and were efficiency equations that apply to many, many forms of use, both now and in the future. He said that his group has reviewed "what is out there and exists", and iViewIt was in the select grouping of technologies that apply to areas (1) to (3) as described above. He said they were in the process of quantifying much of this over the near term to best provide for Time Warner the most effective presentation of its product now and into the future, and from, a business standpoint, to position themselves and iViewIt technologically in as many markets as possible.

We are currently in discussions with AOL and other elements of Time Warner and are gradually being introduced to additional entities within their myriad of entities as they apply for the use of our streaming and imaging.

I took notes of the five presentations, and I trust this provides you with some additional insights. As to your comments to Eliot, should you wish to have a meeting on a one on one basis between David Colter and Scott Carpenter, I am sure Eliot can arrange same. Please also feel free to share a copy of this letter with Scott.

Kindest personal regards.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Maurice R. Buchsbaum".

Maurice R. Buchsbaum  
Director