

Confidential Private Placement Memorandum Number: V28

Offeree: _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM



\$12 MILLION PREFERRED STOCK

January 2001

WACHOVIA SECURITIES, INC.

WACHOVIA

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

This confidential memorandum (the "Memorandum") is being furnished by iviewit Holdings, Inc. ("iviewit" or the "Company") to a limited number of institutional investors for the purpose of facilitating the sale of up to \$12 million of Preferred Equity (the "Securities") of the Company. Wachovia Securities, Inc. ("WSI") is acting as placement agent of the Securities.

In connection with your possible interest in purchasing Securities (the "Transaction"), WSI is delivering this Memorandum and you will be receiving certain non-public information concerning the Company. **By accepting a copy of this Memorandum, you agree that (i) you will hold in confidence and not disclose Evaluation Material (as defined below) (or the fact that such Evaluation Material has been made available to you and that discussions or negotiations are taking place concerning the transaction or any of the terms, conditions or other facts with respect thereto) except (a) to your Representatives who require such information for the purposes of evaluating the Transaction and who have been informed of the confidential nature of the information provided (it being understood that such Representatives shall be directed by you to treat such information in accordance with the terms of this Agreement), (b) you may make any disclosure of such information to which the Company gives its prior written consent and (c) in the event that you are required by law or regulation or requested by any governmental agency or other regulatory authority (including any self-regulatory organization having or claiming to have jurisdiction) or in connection with any legal proceedings and (ii) you will notify us as soon as practical in the event of any such disclosure (other than as a result of an examination by any regulatory agency), unless such notification shall be prohibited by applicable law or legal process.** "Evaluation Material" means information about the Company or the Transaction furnished by WSI, the Company or the Company's Representatives to you, together with all analyses, compilations, forecasts, studies and other documents prepared by you incorporating or otherwise reflecting such information but does not include information which (a) was publicly known at the time of disclosure, (b) subsequently becomes publicly known through no act or omission by you or your Representatives or (c) otherwise is known or becomes known to you other than through disclosure by WSI, the Company or the Company's Representatives from a source that is not bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to the information; and "Representatives" means employees, officers, directors, agents, attorneys, accountants and professional advisors and consultants. **You further agree that you will not use Evaluation Material for any reason or purpose other than to evaluate a possible Transaction. You agree that, if you do not enter into the Transaction, on request of the Company you will, as soon as practical, destroy or return to it (without retaining any copies thereof) all Evaluation Material (other than analyses, compilations, forecasts, studies and other documents prepared by you incorporating or otherwise reflecting such information).**

While the information in this Memorandum was obtained or compiled from data furnished by the Company and publicly available information and is believed to be accurate in all material respects, no representation, express or implied, or warranty as to the accuracy or completeness of the information contained in this Memorandum is made by any party, and nothing contained herein is or shall be relied upon as a promise or representation as to the future.

The Securities are being offered as a private placement pursuant to an exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder. All investors will be required to undertake that they will not resell the Securities except pursuant to an effective registration statement or an exemption from registration. The Securities may bear a legend to that effect. Any such sale must also comply with any applicable state securities requirements. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

The Securities have not been registered with, or recommended or approved by, the Securities and Exchange Commission or any other federal or state securities commission or regulatory authority, nor has the commission or any other federal or state securities commission or regulatory agency passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person to whom it is unlawful to make such an offer or solicitation. The distribution of this Memorandum and the offer and sale of the Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Memorandum or any of the Securities comes must inform themselves about, and observe, any such restrictions.

Statements in this Memorandum are made as of the date hereof unless stated otherwise and are subject to change, completion or amendment without notice. Neither the delivery of this Memorandum at any time, nor any sale hereunder, shall under any circumstances create an implication that no change in the information contained herein or in the affairs of the Company has occurred subsequent to the date hereof.

Prospective investors should not construe the contents of this Memorandum as legal, tax or investment advice. Neither the Company nor WSI is making any representation to any prospective investor regarding the legality of an investment in the Securities by such prospective investor. Each investor should consult its own counsel, accountant or business advisor as to legal, tax, business, financial and related matters concerning its investment.

In making an investment decision regarding the Securities offered hereby, prospective investors must rely on their own examination of the Company, including, without limitation, any registration statements, reports or other documents which are available to the public, and the terms of the offering, including, without limitation, the merits and risks involved. Representatives of the Company and WSI will be available to discuss with prospective investors, on request, the information contained herein.

This Memorandum may contain summaries, believed to be accurate, of certain terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained therein. All such summaries are qualified in their entirety by this reference.

The Company reserves the right to withdraw this offering of the Securities at any time, to reject any commitment to subscribe for the Securities in whole or in part and to allot to any prospective investors less than the full amount of the Securities subscribed for by such investor.

FORWARD-LOOKING INFORMATION

Certain information contained in this Memorandum that is not historical fact, including but not limited to pro forma financial statements and the notes thereto, and financial projections are "forward-looking statements" (as such term is defined in the Securities Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, from time to time, the Company or its representatives have made, or may make forward-looking statements, orally or in writing.

The Company cautions the reader that forward-looking statements involve prediction and no assurance can be given that results indicated in any forward-looking statements will be achieved. Various economic, competitive and other factors could cause actual results to differ materially from the Company's expectations.



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I. EXECUTIVE SUMMARY

Transaction Overview

Wachovia Securities, Inc. ("WSI") has been engaged by iviewit Holdings, Inc. ("iviewit" or the "Company") as its exclusive agent to assist the Company in raising up to \$12 million in preferred equity capital to become a leading end-to-end solutions provider of video and imaging products for delivery over the Internet. The Company is a developer and provider of proprietary, leading-edge visual and audio enabling, processing technologies supporting rich media streaming and imaging over the Internet. The Company can process and encode (digitize and compress) virtually all types of audio and video media into a variety of Internet-enabled formats while also optimizing the content for distribution across a variety of bandwidths. Using its technology, iviewit can provide multimedia solutions for Internet and CD-based applications. Also, iviewit can store, host, and distribute media content at its data centers or through multiple hosting partners.

iviewit is the leadership company providing video streaming technologies that deliver a rich video experience with virtually distortion-free, full screen capability at normal, TV-equivalent frame rates of 29.97 fps (frames per second) and providing imaging technologies that deliver rich images over the Internet. Similarly, iviewit is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zooming and panning.

The Company's revenue model is based primarily on encoding, serving, and licensing revenues. The Company commercialized its products in May 2000. Within a short period of time, iviewit has secured 17 customers - primarily in the entertainment, advertising, and hotel markets and many are high profile industry customers. The Company expects to realize approximately \$400,000 in revenue by year-end from these customers.

The Company has developed and launched the following three breakthrough video/audio streaming and image enhancement technologies that enable:

1. **full-screen, full-frame rate video** (including CD quality audio) at 150-300 Kbps, and at lesser bandwidths, a markedly improved video quality over current industry standards, as depicted below:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Typical Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

2. **full-screen, high definition pictures** that have "scan, pan and zoom, and virtual tour" capabilities at all bandwidths
3. **high fidelity, audio streams** at bandwidths as low as 56 Kbps and mono streams at bandwidths as low as 28.8 Kbps.

iviewit, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Over the past year, iviewit has confirmed the efficacy and reliability of its technologies, initiated digital imaging production, established a demonstration website, developed an initial key management infrastructure, and hired an initial sales and production staff.

The Company continues to pursue an aggressive intellectual property strategy. iviewit has protected its enabling technologies by filing 6 patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has two remaining provisional patent pending applications that will be converted to patent pending status within the allowable period. The

Company has retained Foley & Lardner to shepherd its patent development and procurement. In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose, LLP to oversee its entire patent portfolio – Mr. Rubenstein is the head of the MPEG-2 patent pool.

iviewit has assembled a complementary and seasoned, management team with executive rank, Fortune 100 and early-stage, entrepreneurial experience. The Company has retained Korn / Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and an experienced Chief Technical Officer.

Since its June 1999 inception, the Company has raised over \$4.3 million of venture capital from Crossbow Ventures, Huizenga Holdings, and individual investors.

Technology Overview

iviewit’s suite of video and imaging technology processes work across all industry platforms.

Imaging:

iviewit’s imaging process is an enabling technology that creates an unparalleled, content-rich, viewing experience. Significant advantages of iviewit’s imaging process include the following:

- Photo-quality Internet images
- Resistance to pixelation even at 30+:1 magnification (note: depending upon the material and the desired magnification)
- Full-screen and panoramic viewing up to 360°
- Consistent quality regardless of the end-user’s Internet connection
- File sizes of 30Kb to 700 Kb for full panorama

Video:

The Company’s video technologies allow high quality video streaming in the 150-300 Kbps range, providing better product and price performance for the product delivered and a significantly improved results in the 28-150 Kbps range. Below is a chart comparing iviewit’s video capability to current industry levels:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Typical Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

The iviewit video technology is a highly scalable process costing approximately \$1.50/min of encoded video. The resulting files are ~25% less than comparable quality files. iviewit’s 220Kps streams are equivalent to competition 300Kbps streams.

Business Strategy

iviewit intends to serve as an end-to-end applications solutions provider incorporating iviewit’s proprietary imaging and or video technologies as well as a full-service image and video encoding, hosting and serving provider. iviewit licenses its imaging solutions to B2B and B2C clients in the auction, collectibles, and retail space with subsequent marketing into the healthcare and medical markets. iviewit is also structuring OEM and re-seller relationships to bundle the imaging software and processes with existing hardware including: digital cameras, scanners, and PCs. iviewit is structuring video license agreements with major content and broadband access providers to incorporate the iviewit process into video encoding solutions for direct internet streaming.

iviewit technologies are “process technologies” with pending patents based on efficiency equations, and many of the applications for these technologies are just now being recognized.

Significant effort by iviewit in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others. The Company expects the industry to move toward improvements in pre-encoding, toward the development of internal efficiencies for encoding and codec formats, and toward new advances in broadband delivery in the future. iviewit expects to focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as “hot technology segments” appear and as competitors emerge in each space, iviewit expects to emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment. For small entities that develop competitive technologies that become a “hot spot”, iviewit may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or “hot spot” in iviewit’s product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

The Company’s current revenue model includes the following features:

- service and licensing products,
- charge per minute of processing of video – volume driven,
- charge hosting and serving and archiving on a GB basis, and
- turnkey suite for digital imaging.

iviewit plans to leverage its imaging and video technologies into three primary markets: Entertainment, E-commerce, Distance Learning/E-Learning. For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues, etc., iviewit’s technologies mean that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content.

The Company has a three-pronged strategy for penetrating its initial target market segments. The first is to target high-profile content owners and distributors as clients to process video, and images, market iviewit’s proprietary distance learning solutions and to brand those images and video with iviewit’s logo. The second is to partner with industry leaders to co-market iviewit’s service and license offerings. Third is to brand with famous celebrities and, entertainers, and leading destination sites interested in bringing marquee events to the Internet. Initial target market segments include the following:

- | | |
|---------------------------------|--------------------------|
| - Advertising | - Luxury Items |
| - Distance Learning/E-Learning | - Auction & Collectibles |
| - Entertainment: Film and Music | - Sports |
| - Health Care | - Modeling |
| - Hotel and Resorts | |

The Company expects to expand quickly to a total of 6 Regional Sales Managers post-funding. Revenue quota per Regional Sales Managers will be \$500,000 minimum annually. The Company plans to establish regional sales offices beginning with Los Angeles, New York, and Chicago. The Los Angeles office is underway, and it will operate as a sales and encoding facility.

Customers

Within a short period of time, the Company has been very successful in obtaining customers in its target market segments. Since launching the product in May 2000, the Company has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date. The Company expects to realize approximately \$400,000 in revenue by year-end from these 17 customers. Current clients include the following:

Hollywood.com	Dovebid/DSI
Hyatt Hotels & Resorts	Broadway.com
Gear Magazine (Guccione Media)	Z.com (Alanis Morissette)
Ellen DeGeneres	Virtual Education
Burst.com	Extreme Yachts

In addition, the Company has continued to develop an active pipeline of high impact, service and licensing client prospects. In fact, based on its current level of discussions, the Company believes that the following prospects have a high probability for closing by Q1 2001:

Warner Brothers	Eastman Kodak
Greg Manning Auctions / Collectibles	SDI-Media
UnoDosTres.com	Broadband Services
Brava	Wackenhut / Oasis

Currently, the Company is in negotiations with several large, video-content providers regarding licensing its video streaming technologies. iviewit is moving aggressively towards executing two or three landmark licensing agreements in order to facilitate the broader market adoption of its video streaming technology as the industry standard. As the Company continues these negotiations, it anticipates honing its pricing strategy for other comparable, large-content providers.

Recent developments include the following:

- iviewit has partnered with the “model program” (State of Iowa AEA model) for development of distance learning on a national basis. The Company is now collaborating with larger groups that represent applications for the federal government (i.e. Department of Defense, Department of Education) and with groups that represent similar programs in other countries such as Malaysia and South Korea.
- The Company is finalizing a major business alliance with one of the largest content providers in the entertainment industry, not just for Internet applications, but for many other uses as well. iviewit’s technology will not only be used for archival and on demand applications, but for “efficiencies in other disciplines” where cost and performance features are prominent measures. For example, in the delivery of content to broadcasting, pre-encoding preprocessing improvements will likely improve cost and quality.
- Recently, iviewit and Eastman Kodak began a series of discussions that are now formative, and an agreement could provide significant revenue as early as summer 2001. The applications for Kodak would follow a logical path to create a value added option that would initially be available on its “high end” digital cameras, and then be led downstream to the broad and sizeable moderately priced digital camera lines.

Management

Whereas the Company has retained Korn / Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and Chief Technical Officer, iviewit has assembled a complementary and seasoned, management team with Fortune 100 and early-stage, entrepreneurial experience. This team consists of the following personnel:

What if anything Utley invented on these systems is debatable

Utley not graduate of college, see his deposition

Brian G. Utley, President (67) — For over 30 years, Mr. Utley was responsible for the development and world-wide management of many of IBM's most successful products such as the AS400 and the PC. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. He is a graduate of San Francisco City College.

Eliot I. Bernstein, Founder and Vice Chairman (37) — Prior to founding iviewit, Mr. Bernstein spent 15 years with SB Lexington where he was President of the West Coast Division creating and developing many innovative, computer-based multi-media marketing tools which remain in use supporting multi-billion dollar service industries. Mr. Bernstein is a graduate of the University of Wisconsin.

Michael A. Reale, Vice President of Operations (60) — Mr. Reale has over 20 years of operations experience, including P&L, quality, and delivery performance accountability. Most recently, Mr. Reale was the Chief Operating Officer for Boca Research (Nasdaq:BOCI), a manufacturer of personal computer enhancement and Internet thin client products. Mr. Reale received his BA and MBA from Pace University.

Raymond T. Hersh, Vice President of Finance (58) — Mr. Hersh has over 35 years of successful business and operating experience involving financial services, telecommunications, manufacturing, and corporate strategic planning. For over 20 years, Mr. Hersh has operated and grown companies in Florida, and most recently, he was co-founder and President/CEO of New Medical Concepts, Inc., a telecom company specializing in providing healthcare information. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars. Mr. Hersh received his BA from Lafayette College and his LLB/JD from the University of Pennsylvania.

Kevin J. Lockwood, Vice President of Sales and Business Development (40) — Mr. Lockwood joins iviewit from Cylex Systems where he held the position of Executive Vice President of Sales and assisted in securing three rounds of funding exceeding \$20 million. He also held the position of Head of Sales for Acer America, Inc. where he increased sales from a run rate of \$150 million annually to over \$1.5 billion annually in only a 17-month time. In addition, Mr. Lockwood successfully launched the Fujitsu P.C. into the U.S. and in the first year amassed revenues of over \$200 million. He is a graduate of the University of Maryland with a Bachelor of Science degree in Business Administration.

Guy Iantoni, Vice President of Sales (35) — Prior to joining iviewit in 1999, Mr. Iantoni was Senior Financial Representative with Fidelity Investments. From 1995 to 1997, he served as an Investment Management Consultant to the private client group of Morgan Stanley Dean Witter & Company, Inc. Mr. Iantoni has developed computer databases and systems to effectively market and target segments in both the financial markets and the healthcare industries. Mr. Iantoni is a graduate of the University of Wisconsin with an advanced degree in Pharmacy.

Strategic Alliances

iviewit is creating a stable of strategic partners in the areas of technology, R&D, applications development, and video hosting and delivery. The Company has partnered with key industry leaders to develop precedence in the market. Partners include Greg Manning Auctions, Atlas Entertainment, Medical Online, Digital Island, Burst.com, and Versifi.

**Financial
Highlights**

The Company plans to initially focus on building a precedence through encoding services using its proprietary technology and through licensing its application to industry leaders. As customer acceptance and penetration continue to grow, serving and archiving revenues should begin to sharply rise. The Company expects video-related revenue to represent 60-70% of the total revenue.

iviewit anticipates reaching break-even in approximately 18 months. The revenue projections are as follows:

**Figure 1
Projected Revenues**

Video	Year 1	Year2	Year3
Encoding	\$564,435	\$5,305,221	\$14,202,070
Archival	\$98,465	\$1,189,155	\$4,851,618
Hosting	\$19,913	\$215,011	\$729,939
Serving	\$302,115	\$4,343,611	\$19,594,573
Master Licensing	\$675,000	\$3,431,250	\$3,993,750
Web Design & Consulting	\$113,100	\$480,600	\$458,400
Video Total by Year	\$1,659,929	\$14,484,248	\$43,371,950
Imaging			
Annual License Fee Revenue	\$21,000	\$150,500	\$323,500
Setup Fee Revenue	\$60,000	\$147,000	\$84,000
Hotel & Resort Packages Revenue	\$85,800	\$343,200	\$202,800
Image Processing Revenue	\$576,387	\$3,102,735	\$5,811,171
Master License Revenue	\$787,500	\$3,178,125	\$3,965,625
Hosting Revenue	\$22,775	\$180,002	\$516,868
Serving Revenue	\$232,529	\$2,290,568	\$7,860,524
Hosting & Serving Revenue for Hotels & Resorts	\$9,387	\$65,709	\$132,759
Archival	\$45,942	\$372,823	\$1,089,549
Web Design & Consulting	\$138,000	\$462,000	\$472,200
Imaging Total by Year	\$1,979,320	\$10,292,662	\$20,458,996
Grand Total by Year	\$3,639,248	\$24,776,909	\$63,830,946

Figure 2
Projected Total Revenue Breakdown

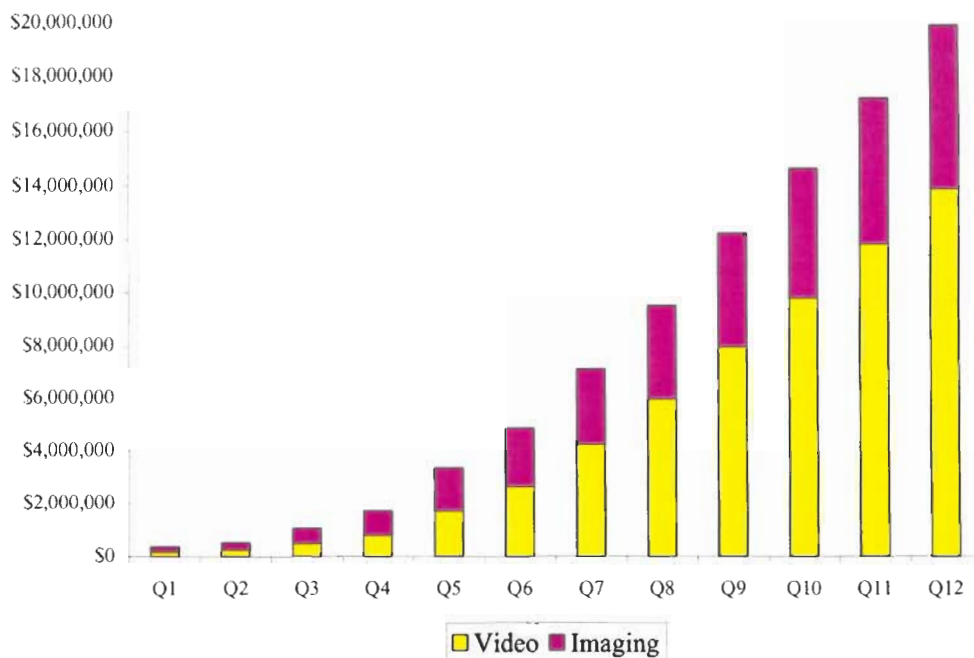


Figure 3
Projected Income Statement

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
REVENUE	\$ 3,639,248	\$ 24,776,909	\$ 63,830,946
COST OF GOODS SOLD	<u>2,057,453</u>	<u>6,617,445</u>	<u>13,192,434</u>
GROSS PROFIT	<u>1,581,796</u>	<u>18,159,464</u>	<u>50,638,512</u>
OPERATING EXPENSES:			
SELLING, GENERAL, & ADMINISTRATIVE	9,861,781	13,870,983	24,790,101
RESEARCH AND DEVELOPMENT	<u>776,326</u>	<u>1,705,086</u>	<u>2,686,204</u>
TOTAL OPERATING EXPENSES	<u>10,638,107</u>	<u>15,576,069</u>	<u>27,476,305</u>
OPERATING PROFIT (LOSS)	<u>(9,056,311)</u>	<u>2,583,395</u>	<u>23,162,207</u>
NET INCOME (LOSS)	<u>\$ (9,157,644)</u>	<u>\$ 2,364,062</u>	<u>\$ 16,378,757</u>
EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION	<u>\$ (8,860,499)</u>	<u>\$ 3,871,945</u>	<u>\$ 26,610,280</u>

Use of Proceeds To execute its strategy, the Company expects to use the proceeds of this offering as shown below:

Figure 4
Use of Proceeds

Use of Proceeds

Sales and Marketing	\$4,500,000
Expand Production Capabilities	\$2,400,000
Research and Development	\$1,300,000
General Corporate Purposes	\$2,600,000
Working Capital	<u>\$1,200,000</u>
	\$12,000,000

**Assumes a 16-18 month period*

II. INVESTMENT HIGHLIGHTS

◆ ***Unique processing technologies for video and imaging***

iviewit's patent pending processing technologies can create high-definition images with "scan, pan, and zoom" capabilities, high-fidelity audio streams, and full-screen, full-frame rate video for streaming over the Internet. The iviewit video technology is a highly scalable process. The resulting files are approximately 25% less than comparable quality files. iviewit 220Kbps streams are equivalent to competitive 300Kbps streams. The Company's imaging process delivers images that are photo-quality, resistant to pixelation even at magnification levels of 30+:1. Images produced by iviewit's proprietary process are identical in quality regardless of the end-user's Internet connection speed. File size options are tailored to minimize download times and optimize the end-user's experience.

◆ ***Complementary and Seasoned Fortune 100 and Entrepreneurial Management Team***

iviewit has assembled a complementary and seasoned management team with Fortune 100 and early-stage, entrepreneurial experience. Management consists of former IBM operations executives who have experience in building video delivery capabilities and of marketing talent from successful venture-backed technology companies. The Company recognizes its strength in operations and product development and recognizes the need to attract a capable, experienced CEO and CTO to accelerate the Company's development. iviewit has retained Korn / Ferry to assist in the identification and recruitment of this talent.

◆ ***Strong and Experienced Board of Directors and Advisory Board***

iviewit's Board of Directors and Advisors consist of several well-established individuals from the technology, entertainment, and financial community. Directors have extensive backgrounds with top-tier firms such as Goldman Sachs, Kidder Peabody, and McKinsey & Co. Crossbow Ventures has provided \$3.0 million in funding and sits on the Board. Technology and entertainment guidance comes from a partner at Armstrong Hirsch Jackoway & Wertheimer and from Kenneth Rubenstein, the head of the MPEG-2 patent pool.

◆ ***Significant Intellectual Property Position and Strategy***

iviewit has protected its enabling technologies by filing 6 patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has two remaining provisional patent pending applications that will be converted to patent pending status within the allowable period. The Company has retained Foley & Lardner to shepherd its patent development and procurement. In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose, LLP to oversee its entire patent portfolio. The Company's strategy is to establish market precedence through licensing of trade secrets and know-how.

◆ ***Substantial Market Penetration and Growing Customer Acceptance***

The Company commercialized its products in May 2000. In just 5 months, iviewit has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date – primarily in the entertainment, advertising, and hotel markets. The Company expects to realize approximately \$400,000 in revenues by year-end from these customers. High profile customers include Ellen DeGeneres, Z.com (Alanis Morissette), Hyatt Hotels, Gear Magazine, and Hollywood.com. Highly probable for closing by year-end 2000 include Warner Brothers and Greg Manning Collectibles.

◆ ***Focused on Media Rich Target Markets – Unlocking the Value of Content***

The Company's business strategy is to first target high-profile content owners and distributors as clients to process video and images and to brand those images with iviewit's logo. Secondly, iviewit plans to co-brand with famous celebrities and

entertainers interested in bringing marquee events to the Internet. These initial target markets represent an enormous collection of video and image assets that are ripe for monetization. For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues, etc., iviewit's technologies means that video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content.

◆ ***Broadband Promotes Greater Multimedia Supply and Demand***

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor. iviewit developed processes allowed users at these speeds to receive TV quality video streaming.

◆ ***Opportunities to Capture the True Value of E-Commerce***

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies. iviewit's suite of technologies should positively affect and benefit all of these parties. For B2B e-commerce sites, iviewit's technologies should provide an affordable solution to enhance the promotion of their products and services. By digitizing already produced video commercials, infomercials, product announcements and product manuals through iviewit's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences.

◆ ***Platform for Pay-Per-View via the Internet***

IP based distribution over TV networks is expected to become widespread over the next few years, driven by set top boxes, wireless distribution and TV integrated interfaces. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This paves the way for a new era in On Demand Pay-Per-View distribution due to the increased bandwidth efficiencies of IP based distribution.

Extensions of the current technologies are planned to provide similar improvements in IP based videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding.

III. INDICATIVE TERMS AND CONDITIONS

\$12 Million Preferred Stock

Issuer:	iviewit Holdings, Inc. (the "Company").
Securities:	Convertible Preferred Stock of the Company (the "Preferred Stock"), which, on an as-if-converted to common stock basis, represents ___ % of the fully-diluted ownership of the Company.
Amount of Financing:	Up to \$12 million
Placement Agent:	Wachovia Securities, Inc. ("WSI").
Investor(s):	Institutional "accredited investors" within the meaning of Rule 501 of Regulation D and "qualified institutional buyers" within the meaning of Rule 144A as promulgated under the Securities Act of 1933, to be arranged by WSI.
Use of Proceeds:	Growth capital and general corporate purposes.
Closing Date:	The date of completion of legal documentation and funding, which shall occur as soon as is practicable.
Accrued Dividends:	___ % per annum. The dividends will be cumulative and will be payable semi-annually payable-in-kind.
Conversion:	Each share of the Preferred Stock shall be convertible at any time, at the option of the holder. If a majority of the holders elect to convert into Common Stock, then the Company will have the right to convert all the shares into Common Stock.
Liquidation Preference:	In the event of any liquidation, sale, merger, consolidation or winding up of the Company, the Preferred Stock holders shall be entitled to receive, in preference to the holders of the Common Stock, a per share amount equal to the Purchase Price plus declared but unpaid dividends on such shares (the "Liquidation Preference"). After the payment of the Liquidation Preference to the holders of the Preferred Stock, the remaining assets shall be distributed ratably to the holders of the Preferred and Common Stock on an as-if-converted basis.
Voting Rights:	The holders of the Preferred Stock shall be entitled to vote, on an "as converted" basis, on all matters to be voted on by stockholders of the Company.
Mandatory Conversion:	After the third anniversary of issuance, if the Company has successfully completed a qualified IPO, the Company will have the right to force conversion of the Preferred Stock if the closing price for the Common Stock averages at least 200% of the Conversion Price for 90 consecutive days.
Liquidity Rights:	On the later of 7 years after issuance of the Preferred Stock (the "Liquidity Exercise Date"), at the election of a majority of the holders of Preferred Stock, the Company will be required to redeem for cash all of the Preferred Stock. If there has been no IPO, the redemption price shall be the higher of the fair market value on an as converted basis or the Liquidation Preference. If there has been a qualified IPO, the redemption price shall be the Liquidation

Preference. No later than 30 days after the Liquidity Exercise Date, the Company will notify all holders of Preferred Stock that they may elect to redeem shares and shall provide such holders 60 days after such notice to make their election.

Registration Rights:

The holders of the Preferred Stock shall have the right to demand one long-form registration and unlimited piggyback registration rights with respect to the Preferred Stock and the Common Stock issued or issuable upon conversion of the Preferred Stock.

Board of Directors:

The holders of the Preferred Stock shall have the right to designate ___ members to the Board of Directors.

Representation and Warranties:

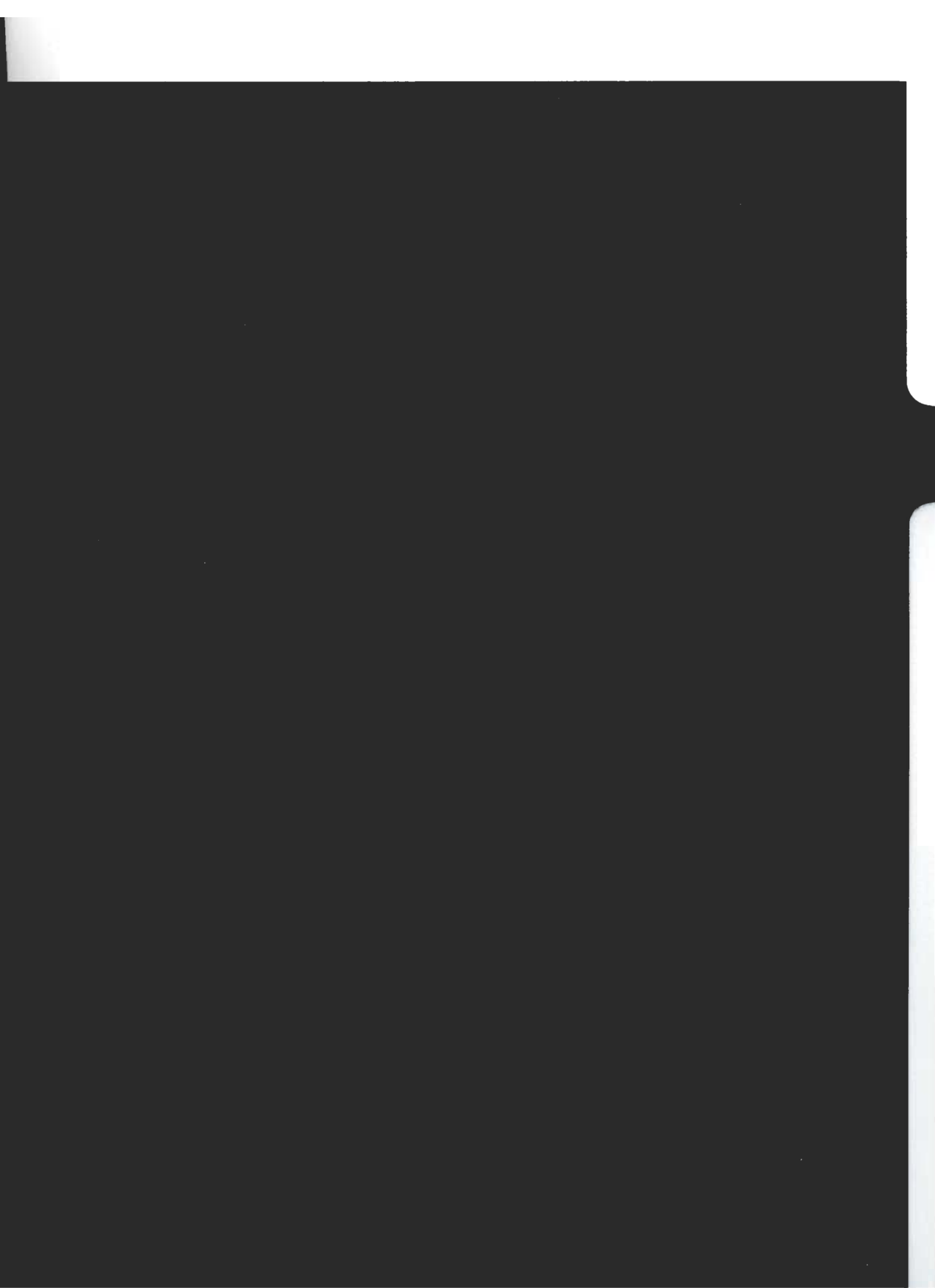
Usual and customary for investments of this type and size.

Covenants:

Financial Information: The Company will provide to any holder of Preferred Stock: quarterly and annual consolidated financial statements.

Inspection Rights: The Company will permit any Preferred Stock holder and its representatives to visit and inspect any of the properties of the Company or any subsidiary, to examine and duplicate their books and records and to discuss their affairs and finances with their respective officers, managers and independent public accountants, all at reasonable times and with reasonable notice.

Other Affirmative Covenants: (i) Maintenance of corporate existence, licenses and permits; (ii) Maintenance of insurance; (iii) Payment of taxes, assessments, government charges and levies, trade accounts, claims for work, labor or materials; (iv) Maintenance of properties; (v) Continuation of nature of business; (vi) Compliance with laws, rules and regulations; and (vii) Arms-length transactions with affiliates.



IV. COMPANY DESCRIPTION

Company Overview

The Company is a developer and provider of proprietary, leading-edge visual and audio enabling technologies supporting rich media streaming and imaging over the Internet. The Company can process and encode (digitize and compress) virtually all types of audio and video media into a variety of Internet-enabled formats while also optimizing the content for distribution across a variety of bandwidths. Using its technology, iviewit can provide multimedia solutions for Internet and CD-based applications. iviewit can store, host, and distribute media content at their data centers or through multiple hosting partners.

The Company has developed and launched three breakthrough video/audio streaming and image enhancement technologies that enable:

1. **full-screen, full-frame rate video** (including CD quality audio) at 150-300 Kbps, and at lesser bandwidths, a markedly improved video quality over current industry standards, as depicted below:

<u>Bandwidth Range</u>	<u>iviewit Frame Rate</u>	<u>Industry Typical Frame Rate</u>
28-56 Kbps	8-15 frames/sec.	4-8 frames/sec.
56-150 Kbps	15-30 fps	12-20 fps
150-300 Kbps	30 fps	12-24 fps

2. **full-screen, high definition pictures** that have “scan, pan and zoom, and virtual tour” capabilities at all bandwidths
3. **high fidelity, audio streams** at bandwidths as low as 56 Kbps and mono streams at bandwidths as low as 28.8 Kbps.

iviewit, located in Boca Raton, Florida, was formed in 1999 under the laws of the state of Delaware. Over the past year, iviewit has confirmed the efficacy and reliability of its technologies, initiated digital imaging production, established a demonstration website, developed an initial key management infrastructure, and hired an initial sales and production staff. The Company commercialized its products in May 2000 and has secured several high profile customers that have confirmed the commercial value of iviewit’s technologies.

Technology and IP Position

iviewit’s suite of video and imaging technology processes work across all industry platforms.

Imaging:

iviewit’s imaging process is an enabling technology that creates an unparalleled, content-rich, viewing experience. Significant advantages of the Company’s imaging process include the following:

- Photo-quality Internet images
- Resistance to pixelation even at magnification levels up to 30+:1 magnification (note: depending upon the material and the desired magnification)
- Full-screen and panoramic viewing up to 360°
- Consistent quality regardless of the end-user’s Internet connection
- File sizes of 30Kb to 700 Kb for full panorama

Video:

The Company's video technologies allow high quality video streaming in the 150-300 Kbps range, providing better product and price performance for the product delivered and a significantly improved result at the 28-150 Kbps ranges. Below is a chart comparing iviewit's video capability to current industry levels:

**Figure 5
Video Comparison Chart**

Video Parameters	Industry Practice	Iviewit Product
Picture size / Frame rate		
28-56 Kbps	160x120 / 4-8 fps	240x180 / 8-15 fps
56-150 Kbps	240x180 / 12-20 fps	320x240 / 15-30 fps
150-300 Kbps	320x240 / 12-24 fps	320x240 / 30 fps
Motion artifacts	Severe to Fair	Fair to Good
Brightness	Low to Medium Contrast	Medium to High Contrast
Color	Fair to Good Fidelity	Fair to Good Fidelity
Audio quality		
Mono	Fair to Good	Good
Stereo	Fair	Good to Very Good
Audio sync	Fair to Good	Good to Very Good
File size	Standard	Up to 10% Reduction

Additional information describing the technology is available upon execution of a Non-Disclosure Agreement.

Intellectual Property:

iviewit has protected its enabling technologies by filing six patent pending applications in both the United States and abroad for its video streaming and imaging capabilities, covering a wide array of enabling technologies. The Company also has two remaining provisional patent pending applications that will be converted to patent pending status within the allowable period. These technologies carry broad claims, where patent searches on several key components have revealed no apparent prior art or conflicting technologies. The patent milestones are as follows:

**Figure 6
Patent Milestones**

March 1999	First provisional imaging filing
June 1999	First provisional video filing
August – December 1999	10 additional provisional filings
March 2000	1 st non-provisional imaging filing
June 2000	4 non-provisional video filings
August 2000	1 non-provisional imaging filing
TBD	2 non-provisional imaging filing

The Company has retained Foley & Lardner to shepherd its patent development and procurement. In addition, the Company has retained Kenneth Rubenstein of Proskauer Rose, LLP to oversee its entire patent portfolio – Mr. Rubenstein is the head of the MPEG-2 patent pool. The Company intends to aggressively implement a continuing R&D effort upon

funding in order to expand the intellectual property base and develop additional revenue opportunities.

Technology Development:

iviewit's goal is to maintain a leadership role in visual technologies and continued research and development will be deployed to this end. iviewit's product output will stress user friendliness, superior picture quality and effective presentation for the experience by the end user. New markets will include hardware and software applications that will embrace these platform technologies.

Extensions of the current technologies are planned to provide similar improvements in IP based videoconferencing. Early testing has validated the feasibility of these extensions and funding will provide the resource necessary to complete the development work. It is estimated that products could be ready to market within 6-9 months from funding.

IP based distribution over TV networks is expected to become widespread over the next few years, driven by set top boxes, wireless distribution and TV integrated interfaces. Using a TV this way further enhances the quality of the video since a TV set is optimized for displaying video images. This paves the way for a new era in On Demand Pay-Per-View distribution due to the increased bandwidth efficiencies of IP based distribution.

R&D efforts will also be heavily influenced by iviewit's focus on providing end-to-end solutions for its customers in new and emerging applications. One such application is the field of On Demand Distance Learning.

**Achieved
Milestones**

Since its inception in March 1999, iviewit has successfully raised over \$4.3 million in seed capital, launched its products, and developed a compelling IP position. Below are the key milestones the Company has achieved.

**Figure 7
Company Achieved Milestones**

- | | |
|-----------------------|--|
| March 1999 | <ul style="list-style-type: none"> ▪ Filed 1st provisional patent ▪ Confirmed feasibility of full-screen, full-frame rate video |
| May 1999 | <ul style="list-style-type: none"> ▪ Real3D technology audit |
| June 1999 | <ul style="list-style-type: none"> ▪ Incorporated iviewit and raised seed capital |
| August 1999 | <ul style="list-style-type: none"> ▪ Hired President |
| September 1999 | <ul style="list-style-type: none"> ▪ Launched website ▪ Raised \$500M from Huizenga Holdings |
| February 2000 | <ul style="list-style-type: none"> ▪ Raised \$1MM from Crossbow/Alpine Ventures |
| March 2000 | <ul style="list-style-type: none"> ▪ Filed 1st Non-Provisional international patent |
| May 2000 | <ul style="list-style-type: none"> ▪ Secured 1st customer: Hollywood.com ▪ Hired VP of Operations |
| June 2000 | <ul style="list-style-type: none"> ▪ Launched imaging and video products at ShowBiz in Los Angeles |
| July 2000 | <ul style="list-style-type: none"> ▪ Raised \$800,000 from Crossbow/Alpine Ventures |
| September 2000 | <ul style="list-style-type: none"> ▪ Entered distance learning market |
| October 2000 | <ul style="list-style-type: none"> ▪ Hired VP of Finance |
| November 2000 | <ul style="list-style-type: none"> ▪ Completed technical review with Warner Brothers |
| December 2000 | <ul style="list-style-type: none"> ▪ Raised \$1.2MM from Crossbow/Alpine Ventures ▪ Establishing Los Angeles, CA sales & production office |

Customers

Within a short period of time, the Company has been very successful in obtaining customers in its target market segments. Since launching the product in May 2000, the Company has experienced a 75% success rate in obtaining service and licensing customers, securing 17 customers to date. Current clients include the following:

Hollywood.com	Dovebid/DSI
Hyatt Hotels & Resorts	Broadway.com
Gear Magazine (Guccione Media)	Z.com (Alanis Morissette)
Ellen DeGeneres	Virtual Education
Burst.com	Extreme Yachts

In addition, the Company has continued to develop an active pipeline of high impact, service and licensing client prospects. In fact, based on its current level of discussions, the Company believes that the following prospects have a high probability for closing by Q1 2001:

Warner Brothers	Eastman Kodak
Greg Manning Collectibles	SDI-Media
UnoDosTres.com	Dovebid/DSI
Brava	Versifi
	Wackenhut/Oasis

Currently, the Company is in negotiations with several large, video-content providers regarding licensing its video streaming technologies and is moving aggressively towards executing two or three landmark licensing agreements in order to facilitate the broader market adoption of its video streaming technology as the industry standard. As the Company continues these negotiations, it anticipates honing its pricing strategy for other comparable, large-content providers.

Below is a list of the current customers:

Figure 8
iviewit Current Customer List

Clients	Projected		
	2000 TOTAL	2001 TOTAL	2002 TOTAL
Hyatt	\$13,000	\$110,000	\$160,000
Hollywood.com/Broadway.com	\$54,000	\$141,715	\$293,861
Gear Magazine	\$75,000	\$160,000	\$160,000
Kis-met(Great Expectations)	\$5,250	\$10,736	\$22,262
Lovemate	\$3,250	\$10,736	\$22,262
DemoReel.TV	\$6,000	\$35,520	\$88,379
Medical Online	\$0	\$50,000	\$35,000
Wackenhut	\$7,500	\$32,208	\$66,787
JM Lexus	\$4,100	\$12,883	\$26,715
Boca Developers	\$5,000	\$22,500	\$48,312
Boca Resort	\$2,000	\$4,000	\$10,000
Kidscamps	\$2,000	\$13,000	\$34,892
KoKo	\$2,000	\$4,000	\$8,000
Z.com	\$120,000	\$120,000	\$120,000
Broadband Services Group	\$90,000	\$600,000	\$1,200,000
Virtual Education	\$10,000	\$121,875	\$326,106
IMTS	\$5,000	\$10,000	\$10,000
	\$404,100	\$1,459,173	\$2,632,575

Additional opportunities have arisen within E-commerce, Education/ Distance learning; and Entertainment.

1. **Broadband Services:** Upwards of 300 distance learning courses targeted to the National Guard: Expected Revenue: \$25,000 to \$50,000 per course. (Total revenue opportunity \$1 Million to \$3 Million dollars through 2001. Three other DOD RFP's with monies totaling over \$700MM for distance learning. iVIEWIT projects securing 1% to 2% of total dollars allocated for iVIEWIT's services.
2. **Iowa:** Distance learning for AEA in Cedar Rapids, Iowa. \$50,000 allocated for digitizing up to 6000 video clips. Three other projects under review.
3. **Wackenhut/Oasis:** iVIEWIT to be used for online sales training, HR and Benefits education applications. Huge cost savings to Wackenhut/Oasis leveraging sales training over the web. They also have over 1000 customers to resell the iVIEWIT solution.
4. **Kodak:** Interested in bundling our software for their high-end digital camera to be shipped out mid next year. Projected volumes: up to 500,000 units. Revenue estimated \$500,000 + in 2001.
5. **Burst:** 500 plus hours of video content to be encoded. Revenue estimated at \$150,000 to \$250,000.
6. **Warner Brothers:** iVIEWIT technology is to be used at multiple sites. Currently being negotiated.

Business Strategy

iVIEWIT will serve as both an end-to-end applications solutions provider incorporating iVIEWIT's proprietary imaging and or video technologies as well as a full-service image and video encoding, hosting and serving provider. iVIEWIT is licensing its imaging solutions to B2B and B2C clients in the auction, collectibles, and retail space with subsequent marketing into the healthcare and medical markets. iVIEWIT is also structuring OEM and re-seller relationships to bundle the imaging software and processes with existing hardware including: digital cameras, scanners, and PCs. iVIEWIT is structuring video license agreements with major content and broadband access providers to incorporate the iVIEWIT process into video encoding solutions for direct internet streaming.

The encoding procedure itself and the evolution recently of many "encoding farms" is not a solution, but simply a function of immediate demand. Going forward, significant emphasis will likely be focused upon the steps that occur before encoding (i.e. pre-processing for both internet and broadcasting), the enhancement of existing MPEG 2 format, and variations of MPEG-4 to improve it. Because iVIEWIT has "process technologies" with pending patents focused on efficiency equations, the many applications for this technology are just now being recognized. Improvements in all three areas cited above will likely become a core area for new technology in the future. Significant effort by iVIEWIT in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others. The Company expects many further patents, improvements in existing pending patents, and a broad "protective shield" for many new and future applications will be a focus for the Company. The industry will likely move toward improvements pre-encoding, the development of internal efficiencies for encoding and codec formats, and new advances in broadband delivery in the future. iVIEWIT expects to focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as "hot technology segments" appear and as competitors emerge in each space, iVIEWIT expects to emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment. For small entities that develop competitive technologies that become a "hot spot", iVIEWIT may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or "hot spot" in iVIEWIT's product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

iviewit will continue to aggressively develop its technologies, applications and its patent pool and forge strategic R&D relationships to help ensure its position as a leading provider of visual solutions. Strategic investments and acquisitions are also anticipated.

The Company's revenue model includes the following features:

- offer service and licensing products,
- charge per minute of processing of video – volume driven,
- charge hosting and serving and archiving on a GB basis, and
- turnkey suite for digital imaging.

The Company has a three-pronged strategy for penetrating its initial target market segments. The first is to target high-profile content owners and distributors as clients to process video, and images, market iviewit's proprietary distance learning solutions and to brand those images and video with iviewit's logo. The second is to partner with industry leaders to co-market iviewit's service and license offerings. Third is to brand with famous celebrities and, entertainers, and leading destination sites interested in bringing marquee events to the Internet. Initial target market segments include the following:

- | | |
|---------------------------------|--------------------------|
| - Advertising | - Luxury Items |
| - Distance Learning/E-Learning | - Auction & Collectibles |
| - Entertainment: Film and Music | - Sports |
| - Health Care | - Modeling |
| - Hotel and Resorts | |

1. E-Learning/Distance Learning:

To validate iviewit's business model and the efficacy of its core technologies, the distance learning market was chosen as the first and major entry point to position the Company. Distance learning and e-learning are already receiving large governmental grants, funding and are significant budget entries for international, national and state/local educational programs. Next to healthcare, the projected spending for this area of education is expected to grow more than any other budgeting level. iviewit has partnered with the "model program" (State of Iowa AEA model) for development of distance learning on a national basis. The Company is now collaborating with larger groups that represent applications for the federal government (i.e. Department of Defense, Department of Education) and with groups that represent similar programs in other countries such as Malaysia and South Korea. This has now led to the following new revenue generating projects for iviewit over the next 3 to 18 months:

- **The state of Iowa** has chosen iviewit for the development of the "Iowa Model" for interactive distance learning in the Iowa school system, and this opportunity represents approximately 14,000 existing and potential video learning titles that are now currently being used via mail. iviewit is expecting to receive grants for the first model programs for distance learning for the Internet for use of up to 1 million students that are a part of the Iowa program. During the next month, approximately \$50,000 is expected from Iowa for use of iviewit's technology, which would be the "fulcrum" for future projects. The Company's imaging and streaming technology would be the protocol employed by Iowa in its school system for distance learning and vocational training. The state of Iowa expects a rollout to other AEA districts in 2001-02.
- **The U.S. Department of Defense** expects to decide within the next 30 days on the RFP for distance learning and vocational training (college level) with an anticipated funding by the DOD in late 2000 of \$700 million. iviewit's major partner in this program is Broadband Services Corp. Broadband Services Corp. considers the

Company's technology a "centerpiece" for its proposal, and has provided funding for iviewit to present its applications in an interactive mode. The initial funding to iviewit is \$100,000 in 2000 and with award of the RFP, up to \$3 million in revenue in 2001, with similar size through 2005.

- **Broadband Services Corp.** is also the current recipient through some of its other partners of a \$300 million contract recently awarded for a Pacific rim country, e-Learning project which could incorporate iviewit technologies for imaging and video streaming similar to that of the DOD. While funding for this project has already been initiated, no revenues have been forecast in the iviewit model for 2001, although they could be significant.
- **Major Fortune 500 company with over 100,000 employees.** The Company is negotiating a service and licensing contract with a major Fortune 500 company with 100,000 employees for the use of iviewit's technology for both distance learning and training. In addition, the potential client would become an iviewit reseller of the Company's application on an OEM basis with up to 400 other companies that are vendor/partner-based entities with the client. No revenue projections are included in the current iviewit business model, but it is anticipated that they would begin during the first half of 2001.

2. **Collaborative Technologies (including Entertainment)**

iviewit's strategy is based upon "filling an established market and value-added need" rather than creating a need in the marketplace. The Company is finalizing a major business alliance with one of the largest content providers in the entertainment industry, not just for Internet applications, but for many other uses as well. iviewit's technology will not only be used for archival and on demand applications, but for "efficiencies in other disciplines" where cost and performance features are prominent measures. For example, in the delivery of content to broadcasting, pre-encoding preprocessing improvements will likely dictate cost and quality.

iviewit's collaborations are primary drivers in the development of entertainment forms. The Company expects to collaborate with a leading entity in the fields of HDTV and DVD that will provide attractive user alternatives in the future. While the initial phases will focus upon the Internet and its uses of the streaming and imaging platforms, there should be new alliances formed with leaders in other technical aspects of product delivery and applications.

iviewit technology has been well recognized by Hollywood studios and content providers, and over the past 8 months, iviewit has been developing a significant relationship with Warner Brothers. The Company believes that the mutual efforts with Warner Brothers will result in a significantly meaningful commercial relationship beginning early 2001. As a result of this pending opportunity with Warner Brothers and other advanced discussions underway with other media and California-based content providers, the Company is presently establishing a Los Angeles sales and encoding facility to be operating by year end 2000.

Another example of iviewit's business strategy is in its recent alliance with Burst.com. The Company is integrating Burst technology with the iviewit platforms to provide both a superb and consistent delivery of streaming video, and product applications that differentiate iviewit and Burst as leaders in their respective "backbone" applications. Burst now offers streaming media users a consistent "last mile solution" and exclusively recommends the iviewit technology as the protocol for others to use. The Company has begun to recognize revenue this month from this collaboration.

3. Digital Cameras and Instrumentation

The broadness of iviewit's technologies and its applications outside an Internet based environment depict the scope of the pending patents and their uses in other markets. One such application is in the huge and growing market for digitization, instrumentation, and consumer products such as the digital camera market. Recently, iviewit and Eastman Kodak began a series of discussions that are now formative, and an agreement could provide significant revenue as early as summer 2001.

The applications for Kodak would follow a logical path to create a value added option that would initially be available on its "high end" digital cameras, and then be led downstream to the broad and sizeable moderately priced digital camera lines. In each case the following would be the applications provided to Eastman Kodak for its new and future camera entries:

- The first stage would be the provision of iviewit's imaging technology as a CD that would be included with each camera, so that the consumer when "loading" it on his computer would be able to pan, zoom and "crop" pictures taken from the Kodak digital camera itself. The full iviewit imaging technology would be used on any picture taken, modified and prepared by the user. Currently, the discussions with Kodak include (for high end only) possible inclusion for its Spring 2001 High-end Camera Line (up to 500,000 units). iviewit would prepare the master CD, Kodak would provide the production of same and follow on with the Kodak servicing of this new application for consumers. iviewit would be the "second line" of expertise servicing this application.
- The second stage would be for the development of a software/hardware format that would be fit onto the camera itself during production. iviewit and Kodak would collaborate for this technology application. Concurrently, iviewit and Kodak would broaden the usage to its moderate priced digital camera entries.
- Kodak has requested from iviewit a quote for the above application – first for the high-end market and a licensing opportunity of major significance is underway at this time. Further, other applications of similar nature (both for OEM and reseller purposes) are being developed for the scanner market and the PC market with major companies. In each case, applications driven strategies, value added marketing and cost/performance characteristics are the focus.

The Company has initiated a search for an advertising/new media agency and a public relations agency with demonstrated competence in B2B enabling technologies. The Company currently retains a leading publicist in the entertainment industry. The Company's marketing plan includes the following:

- a national print media campaign targeting corporate decision-makers for encoding images and video for commercial websites,
- a national B2B public relations campaign that targets the streaming media and digital still-imaging markets and that builds awareness and demand for the Company's imaging technologies,
- a trade show plan to promote its video and imaging technologies,
- a plan for the acquisition and exploitation of exclusive internet video events to highlight the Company's technologies and turbo charge its public relations efforts, and partnerships with selected customers for the development of leading edge applications.

The build-out of the sales and marketing team for 2001 is as follows:

- **Inside Sales:** Each of 3 individuals will be focused on generating leads for the Sales Directors in the areas of Entertainment, Education/Distance Learning and E-commerce. The inside sales position will require a minimum of 2 years of sales

experience, experience within the target vertical a plus, and a proven track record of past sales success. The position incentive package will include stock options, monthly cash bonuses based on lead generation goals, and commissions based upon team quota attainment.

- **Regional Sales Manager:** Each of 6 individuals (3 sales executives existing) will be focused on quarterly revenue generation and long term relationship building from the areas of Entertainment, Education/Distance Learning and E-commerce. The Regional Manager position will require a minimum of 5 years of sales experience, experience within the target vertical a plus, and a proven track record of past sales success. The position incentive package will include: stock options and commissions based upon regional quota attainment.

Sales Regions: Northern CA, Southern CA, Seattle, Chicago, Boca Raton, New Jersey, New York, Boston, Dallas, Atlanta and Washington DC

Marketing Director: This individual will be responsible for developing marketing programs targeted to the areas of Entertainment, Education / Distance Learning and E-commerce. This individual will: be responsible for differentiating iviewit's technologies and offerings versus competition, strategic direction for new product and application creation, coordination of trade shows, coordination of advertising priorities, development of collateral materials, development of lead sources for the inside sales team. This individual will be responsible for communicating the company's image and branding both online and offline, day to day successes with new or existing accounts and strategic partners, and coordinating investor relations. The Marketing Director should have 10+ years of marketing expertise with a minimum of 5 years marketing applications or end-to-end solutions within the technology or Internet space.

*Strategic
Alliances*

**Greg Manning
Auctions**

iviewit & Greg Manning Auctions are developing a turnkey virtual zoomable imaging solution for collectibles in the following markets: Philatelic, Numismatics, Sports Trading Cards and Memorabilia, Comic Art/Comic Books, Movie Poster, Hollywood and Rock 'N Roll Memorabilia. There is the potential for 250,000 to over 1,000,000 images to process, host and serve per year.

Greg Manning Auctions is a specialty auction house that deals in stamps, coins, sports collectibles, fine art, diamonds, movie posters, film and music memorabilia, manuscripts, and autographs. Philately (stamp collecting) accounts for almost 50% of sales. The company takes items on consignment or buys them directly from the owners, then sells them at auctions in New Jersey and New York, by mail, by telephone, and online. The firm also conducts online auctions in China and Europe with Spanish philately specialist Afinsa Bienes Tangibles, which owns about 12% of Greg Manning Auctions.

Atlas Entertainment

Atlas Entertainment brings iviewit high profile branding, video-on-demand, and pay-for-view internet broadcast opportunities with the likes of Alanis Morissette, Ellen DeGeneres, etc.

Medical Online	<p>iviewit and Medical Online are developing a turnkey imaging solution for zoom and pan into MRI, CT, X-ray, mammography and related images.</p> <p>Medical Online's mission is to give patients, physicians, and hospitals easy access to an extensive online database of clinical diagnostic data compiled from a number of the world's preeminent medical institutions. With the help of the Medical OnLine search engine, users have the luxury of matching current diagnostic images and graphs with similar or identical archival records, complete with clinical information on each case. Using this data, doctors form stronger conclusions regarding a patient's condition, while patients acquire the information they need to take control of their healthcare.</p>
Exodus	<p>iviewit has an exclusive encoding relationship with Burst.com customers, co-marketing alliance agreements with Exodus, and preferred pricing and re-sell agreement for Digital Island streaming media hosting.</p>
Digital Island	<p>Digital Island's five regional data centers in Asia, Europe, and the US are connected to ISPs in more than 20 countries through its ATM (asynchronous transfer mode) backbone. It maintains more than 1,200 online content distributors, including America Online, The Wall Street Journal, and CNBC.com.</p>
Burst.com	<p>The Company is integrating Burst technology with the iviewit platforms to provide both a superb and consistent delivery of streaming video, and product applications that significantly differentiate iviewit and Burst as leaders in their respective "backbone" applications.</p> <p>The company (formerly Instant Video Technologies) makes Burstware, which enables faster-than-real-time transmission of video and audio over computer networks. Unlike real-time streaming software, which is prone to network congestion, Burstware transmits better video and audio signals by delivering them faster than they can be viewed or heard. Burst.com offers software for server-based distribution and for desktop playback. The company integrates its technology with media player software made by Apple and Microsoft. Burst.com sells its products directly and through systems integrators such as Clover Technologies.</p>
Versifi	<p>The two parties have a co-marketing, R&D, and production relationship as well as inclusion of iviewit's imaging processes and software with the Versifi content management software for resale within the IBM e-commerce tool suite.</p> <p>Versifi Inc. specializes in building easy-to-use, enterprise Java applications to enable the creation, delivery and management of dynamic Web content. Versifi's Dynamic Information Delivery (D.I.D.) system provides the underlying architecture for deploying high-change, content-rich intranet, Web and e-commerce sites without the associated costs and rigidity of limiting scripting technologies.</p>

Virage	<p>iviewit and Virage will re-sell services and co-develop integration of the iviewit video processes with Virage's video indexing and cataloging capabilities.</p> <p>The company makes and hosts software that enables users to deploy, search, index, and manipulate video content over the Internet. Media companies can use Virage's software to manage incoming video and make entire libraries available digitally to staff, thereby eliminating stores of videotapes. Other companies can access any sort of video for their employees in the same way. The software can be used to make video available on the Internet, although Virage also offers outsource video management services.</p>
Cura Group	<p>iviewit is providing end-to-end online video training, education, and distance learning to Cura's 150 employer base.</p> <p>The Cura Group takes over the time-consuming, often aggravating employer responsibilities that they do best - payroll, employment taxes, benefits, workers' compensation, government compliance, personnel matters, hiring and outplacement services, safety and more.</p>
SDI-Media	<p>iviewit & SDI will co-market and re-sell. SDI will incorporate the streaming video creation technology with their subtitling offerings in 17 different countries.</p> <p>SDI Media is the world's largest supplier of subtitling services for the television, theatrical, video, and DVD industries. The group also operates state-of-the-art dubbing and voice-over facilities and offers Internet site and interactive game content localization. With offices in 17 countries throughout the world, SDI Media has a presence in all major time zones and the capability to deliver in any language for any media. SDI Media counts amongst its extensive client list many of the world's leading media and entertainment companies.</p>
Documentation Services, Int'l	<p>iviewit & DSI have partnered to offer turnkey virtual product listings to the B2B and B2C auction and exchange market places. DSI has video and photo production services in every zip code in the US and Canada. This production combined with iviewit technologies on the imaging and video side should offer sellers cost-effective video or zoom imaging solutions to display their assets for sale.</p> <p>Since 1989 DSI has saved valuable time and money for thousands of buyers, sellers, brokers, dealers, and individuals around the world providing VHS video and 35mm photo documentation delivered via next day air. They are the only service where a customer can order a video or 35mm photo documentation today and have it delivered to their desk via next day air e-mail. DSI currently covers every zip code in the U.S. and over 3,000 cities in Canada. DSI will likely continue to expand their coverage as well as new services in order to better serve clients.</p>

Five Star Productions The two parties have a co-marketing relationship for high-end video production and encoding relationship for Five Star's greater than 14,000 title video library.

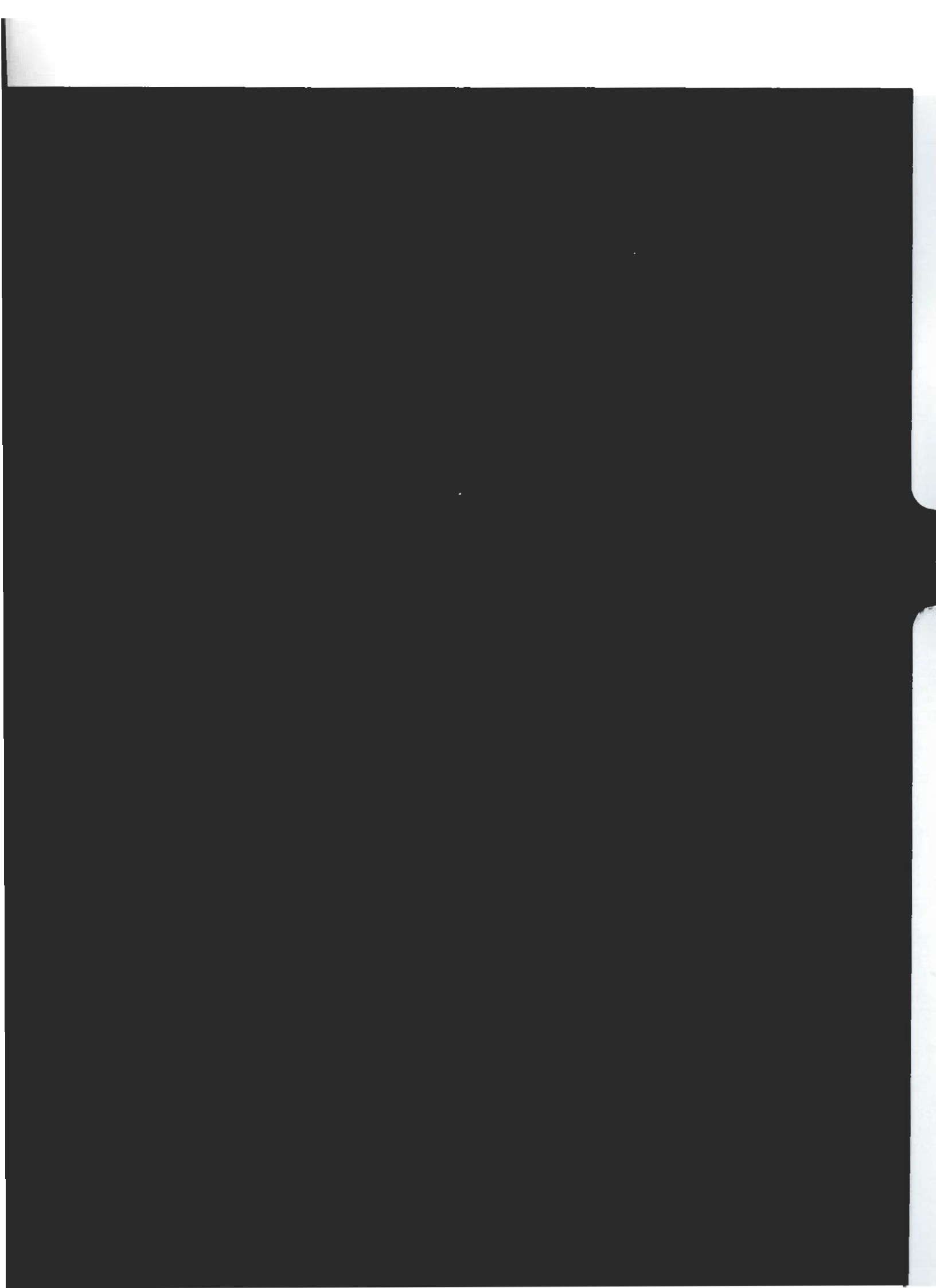
Five Star Productions™ is South Florida's #1 independent television and radio production company. Their goal is to entertain, enlighten and educate. Five Star's presence on the Internet extends their commitment to being a truly integrated, full-service production facility. Their full range of services allows them to manage projects from concept through execution, upholding the highest of standards.

Financing History

To date, the Company has raised over \$4.3 million. Investors include Huizenga Holdings and Crossbow/Alpine Ventures.

**Figure 9
Financing History**

<u>Date</u>	<u>Investor</u>	<u>Amonnt</u>
June 1999	Individual Investors	\$208,000
September 1999	Huizenga Holdings	\$500,000
December 1999	Individual Investors	\$87,000
February 2000	Crossbow/Alpine Ventures	\$1,000,000
	Individual Investors	\$185,000
March 2000	Individual Investors	\$250,000
June 2000	Individual Investors	\$80,000
July 2000	Crossbow/Alpine Ventures	\$800,000
December 2000	Crossbow/Alpine Ventures	\$1,200,000
	TOTAL	\$4,310,000



V. MANAGEMENT

Organization Chart

Figure 10
Organizational Chart



Senior Management Biographies

Whereas the Company has retained Korn / Ferry to assist in the identification and recruitment of a high impact Chief Executive Officer (preferably from the media or entertainment industry) and Chief Technical Officer, iviewit has assembled a complementary and seasoned, management team with Fortune 100 and early-stage, entrepreneurial experience. This team consists of the following personnel:

Brian G. Utley, President (67) For over 30 years, Mr. Utley was responsible for the development and world-wide management of many of IBM's most successful products such as the AS400 and the PC. Entering IBM's executive ranks in the early 1980s, Mr. Utley's impact was felt in all areas of IBM's advanced technology product development, including Biomedical Systems, European Operations, and most importantly, IBM's launch of the Personal Computer. Following the introduction of the PC in the United States, Mr. Utley moved to Europe where he was responsible for a number of IBM's overseas activities including managing the launch of the PC across Europe and the Middle East. His career with IBM culminated with his responsibility as Vice President and General Manager of IBM Boca Raton with a work force of over 6,000 professionals. He is a graduate of San Francisco City College.

Eliot I. Bernstein, Founder and Vice Chairman (37) — Prior to founding iviewit, Mr. Bernstein spent 15 years with SB Lexington where he was President of the West Coast Division creating and developing many innovative, computer-based multi-media marketing tools which remain in use supporting multi-billion dollar service industries. Mr. Bernstein is a graduate of the University of Wisconsin.

Michael A. Reale, VP of Operations (60) — Mr. Reale has over 20 years of operations experience, including P&I, quality, and delivery performance accountability. Most recently, Mr. Reale was the Chief Operating Officer for Boca Research (Nasdaq:BOCI), a manufacturer of personal computer enhancement and Internet thin client products. Prior to Boca Research, Mr. Reale spent two years as President of MGV Manufacturing Corp., a premier provider of computer memory assemblies with operations in the U. S. and Europe.

Mr. Reale was also responsible for seven operations in the United States and overseas as Senior Vice President for SCI Systems, Inc., a Fortune 500 electronics contract manufacturer. His operating background also includes twenty years with IBM culminating as Director of Manufacturing for the Personal Computer Division. Mr. Reale received his BA and MBA from Pace University.

Raymond T. Hersh, Vice President of Finance (58) — Mr. Hersh is a private investment banker, specializing in strategic development. He has over 35 years of successful business and operating experience involving financial services, telecommunications, manufacturing, and corporate strategic planning. For over 20 years, Mr. Hersh has operated and grown companies in Florida, and most recently, he was co-founder and President/CEO of New Medical Concepts, Inc., a telecom company specializing in providing healthcare information. He successively grew two Florida-based specialty manufacturing companies from combined revenues of about \$2.7 million to over \$19 million. Mr. Hersh also spent nine years as an investment banker in New York City where his last position was President of a member firm of the New York and American Stock Exchanges. Earlier, he spent five years as an Enforcement Attorney with the U. S. Securities and Exchange Commission in New York City where he exited as a Branch Chief. He is a member of the New Jersey and New York Bars. Mr. Hersh received his BA from Lafayette College and his LLB/JD from the University of Pennsylvania.

Kevin J. Lockwood, Vice President of Sales and Business Development (40) — Mr. Lockwood joins iVIEWIT from Cylex Systems where he held the position of Executive Vice President of Sales and assisted in securing three rounds of funding exceeding \$20 million. He also was instrumental in developing a distribution channel as well as signing accounts such as Outsourcing International, Tampa General and a significant seven-year contract with Best Buy Corporation. He also held the position of Head of Sales for Acer America, Inc. where he increased sales from a run rate of \$150 million annually to over \$1.5 billion annually in only a 17-month time. In addition, Mr. Lockwood successfully launched the Fujitsu P.C. into the U.S. and in the first year amassed revenues of over \$200 million. He is a graduate of the University of Maryland with a Bachelor of Science degree in Business Administration.

Guy Iantoni, Vice President of Sales (35) — Prior to joining iVIEWIT in 1999, Mr. Iantoni was Senior Financial Representative with Fidelity Investments. From 1995 to 1997, he served as an Investment Management Consultant to the private client group of Morgan Stanley Dean Witter & Company, Inc. Prior thereto, Mr. Iantoni spent four years with Eli Lilly and Company creating and implementing many direct marketing and sales campaigns for the healthcare industry. He has developed computer databases and systems to effectively market and target segments in both the financial markets and the healthcare industries. Mr. Iantoni is a graduate of the University of Wisconsin with an advanced degree in Pharmacy.

**Board of
Directors**

**Simon I. Bernstein – Chairman Emeritus
SB Lexington**

Mr. Bernstein has pioneered the development of proprietary life insurance products and has formed two companies to facilitate the sales of these products. Mr. Bernstein developed for both companies a national sales and marketing network, which now account for over a billion in life premium sales. Mr. Bernstein's career in the life insurance industry began in 1965 when he became the top producer for Aetna Life and Casualty Company. He has remained in the top 5% of life insurance sales agencies since that time. Mr. Bernstein supplied the initial "angel" investment for iVIEWIT.

Eliot I. Bernstein – Founder & Vice Chairman

Brian G. Utley – President

Kenneth Anderson**myCFO**

Mr. Anderson brings over 20 years of experience in the financial services world to his recent move to Jim Clark's new start-up myCFO. Prior to joining myCFO, Mr. Anderson served as a partner in Arthur Andersen's private client services practice where he created the family wealth and financial planning practice for the southern California practice. He focused on estate and income tax planning for high net worth individuals and families. Mr. Anderson has significant experience in compensation, insurance, and business succession consulting.

He is a board member of the Idyllwild Arts and Boy Scouts of America, Western Council. Ken is a founding member of the Family Business Program at the University of Southern California. He served as director of the Society of CPA/Financial Planners, was a member of the California CPA Society Committee on Personal Financial Planning. Mr. Anderson is on the Board of Directors of iviewit and Schaeffer Autosimulation, LLC. Mr. Anderson holds a BS in accounting and economics from Valparaiso University and a JD with an emphasis on taxation from the Valparaiso University School of Law.

Maurice R. Buchsbaum**Chief Executive Officer, Emerald Capital Partners**

Mr. Buchsbaum has engaged in corporate finance projects as a principal, advisor, consultant, officer, director or senior managing director for the past 27 years. As a partner or senior officer of several leading investment banks (including Drexel Burnham, Kidder Peabody and JW Genesis), he has worked in all aspects of corporate finance. He formed Emerald Capital Partners in early 1999, to provide strategic planning and banking advice to a myriad of small and medium sized American growth companies. He has engaged in numerous public and private transactions and activities that include seed capital, early stage financing, major and late stage strategic finance, restructuring and mergers/acquisitions ranging in size from \$1 million to \$700 million. His industry experience includes health care, technology, telecommunications, biotechnology, financial services, environmental, and airlines. He holds BS and MBA degrees with honors from Ohio State University, and was a fellow in the doctoral program at Northwestern University.

Donald G. Kane, II**President, GDI**

Prior to joining GDI (a privately held holding company that controls four B2B companies), Mr. Kane was a Managing Director in the Investment Banking Division of Goldman Sachs & Co. During his fourteen-year career at Goldman Sachs, Mr. Kane created the firm's Midwest Financial Institutions practice and founded the Global Financial Institutions Technology Group. He is a Board member and Vice Chairman of Sagence Systems, Inc., a GDI company and is a member of the Board of Versifi, Inc. and Ergo Systems. Mr. Kane is an advisor to Signcast, Inc., Gryphon Holdings, and Capita Technologies. He is a member of the Kellogg Graduate School of Management Advisory Board at Northwestern University and is a member of the Board of the Metropolitan YMCA of Chicago.

Gerald R. Lewin**Senior Partner, Goldstein Lewin & Co.**

Mr. Lewin has been a certified public accountant since 1973 and is licensed to practice in the states of Florida and Michigan. Mr. Lewin is a Senior Partner of Goldstein Lewin & Co., a leading southeastern accounting firm. Mr. Lewin specializes in business consulting and is highly knowledgeable in many areas of accounting, tax and financial planning. Mr. Lewin is a member of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

H. Hickman Powell**General Partner, Crossbow Ventures**

Prior to joining CrossBow Ventures, Mr. Powell spent 14 years as an investment analyst and corporate finance advisor. He worked with McKinsey & Company and J.P. Morgan

Investment Management, both based in London. Among his primary areas of expertise are technology research and economic research, including electronics, telecommunications and computer software. Most recently, he was Senior Technology Analyst and Vice President of Southeast Research Partners, Inc. where he worked with leading technology companies. He earned a bachelor of arts degree at Yale University and a master of business administration degree at Stanford University.

Advisors**Alan J. Epstein****Partner, Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.**

Mr. Epstein's law practice consists of advising Internet companies on various issues pertaining to the entertainment and sports industries, including the creation, licensing and acquisition of content, the introduction and negotiation of strategic partner relationships, and various other matters relating to the convergence of technology and content. Mr. Epstein also advises his firm's numerous celebrity clients on the exploitation and protection of their name and likeness rights and content on the Internet, as well as merchandising, endorsement and sponsorship deals. Prior to entering the UCLA School of Law, Mr. Epstein was a certified public accountant at Deloitte Haskins & Sells in Dallas, Texas.

Kenneth Rubenstein**Partner, Proskauer Rose LLP**

Mr. Rubenstein is a partner at Proskauer Rose LLP law firm and is the patent attorney for iviewit. He is a registered patent attorney before the U.S. Patent & Trademark Office. Mr. Rubenstein counsels his clients with respect to the validity and infringement of competitors' patents, as well as prosecutes patent applications. For the past several years he has worked on the formation of a patent pool, for MPEG-2 technology, involving large consumer electronics and entertainment companies. He is also a former member of the legal staff at Bell Laboratories. Mr. Rubenstein received his law degree, cum laude, from New York Law School, and his Ph.D. in physics from the Massachusetts Institute of Technology where he also graduated with a B.S. Degree.

Christopher C. Wheeler**Partner, Proskauer Rose LLP**

Mr. Wheeler is a member of Proskauer Rose LLP's Corporate Department and as a partner in the Florida office has a versatile transactional practice. He has had extensive experience in real estate and corporate law, institutional lending and workonts, administrative law and industrial revenue bond financing. Moreover, he serves as a strategist and counselor to many clients in handling their other legal and business matters. Mr. Wheeler is well-versed in general corporate law as well as mergers and acquisitions and securities matters. He has guided companies from startup through initial private placements to public offerings. A graduate of Hamilton College and Cornell Law School, Mr. Wheeler was a member of the managing Board of Editor of the Cornell Law Review.

**Legal &
Accounting
Counsel****Arthur Andersen, LLP**

Arthur Andersen's vision is to be the partner for success in the New Economy. The firm helps clients find new ways to create, manage and measure value in the rapidly changing global economy. With world-class skills in assurance, tax, consulting and corporate finance, Arthur Andersen has more than 70,000 people in 83 countries that are united by a single worldwide operating structure that fosters inventiveness, knowledge sharing and a focus on client success. Since its beginning in 1913, Arthur Andersen has realized 86 years of uninterrupted growth, with 1999 revenues over \$7 billion. Arthur Andersen is a business unit of Andersen Worldwide.

Proskauer Rose, LLP

This law firm is one of the nation's largest law firms, providing a wide variety of legal services to major corporations and other clients through the United States and around the

world. Founded in 1875 in New York City, the firm employs 475 attorneys and has wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law.

Armstrong Hirsch Jackoway Tyerman & Wertheimer, P.C.

One of the nation's leading entertainment law firms. Based in Los Angeles, California, it represents many of the most prominent actors, writers, directors and producers of feature films, television programming and other entertainment content. The firm also represents various content and technology companies in the Internet industry, including prominent web sites, entertainment-oriented portals, aggregated celebrity sites and various e-commerce companies. The firm is assisting in developing the business structure and strategic relationships for iviewit.

Foley & Lardner

One of the oldest and largest law firms in America. Founded in 1842, the firm now has more than 750 attorneys in 14 offices, following the February 1996 merger with Weissburg and Aronson, Inc. Foley & Lardner's over 100 highly skilled intellectual property attorneys constitute one of the largest and most sophisticated technology groups in a general-practice law firm in the United States. As one of the few large national law firms with a global intellectual property law group, it is uniquely positioned to help iviewit capitalize on its foreign filings. The firm's broad-based representations in litigation, regulatory affairs and general business counseling is complemented by one of the world's most highly trained staffs, which includes 65 engineering and advanced technical degrees, including 12 Ph.D.'s. The list of clients using Foley & Lardner to fill their intellectual property legal needs ranges from small entrepreneurial start-up companies to large international and multinational corporations. Foley & Lardner attorneys provide solutions and successfully serve the needs of clients around the world, including those situated in the United States, Canada, Latin America, the European Union, Eastern Europe, the Middle East, and the Pacific Rim.

- **William J. Dick** - Special Counsel to the West Palm Beach office of Foley & Lardner. A member of the firm's Intellectual Property Department (Electronics Practice Group), Mr. Dick currently focuses on mentoring other members of the Electronics and Consumer Products Practice Groups in various IP related matters. He also conducts weekly classes in patent related matters for new associates. Mr. Dick joined Foley & Lardner after 26 years with IBM. He began as a patent attorney, and has handled all phases of patent, trademark and copyright duties, including litigation. Mr. Dick's most recent position with IBM was as Assistant General Counsel to IBM Asia Pacific. Mr. Dick is a graduate of the University of Virginia (B.M.E., 1956; L.L.B., 1962 changed to J.D., 1970)
- **Douglas Boehm** - a partner in the Milwaukee office of Foley & Lardner and a member of the firm's Intellectual Property Department (Consumer & Industrial Products Practice Group and Health Information Technology Practice Group), Mr. Boehm practices in the areas of patent, trademark, copyright, and trade secret counseling; U.S. and foreign patent prosecution; and computer software and intellectual property licensing and technology transfers. Mr. Boehm's technical focus encompasses electrical and electronic engineering, including analog/digital/RF circuitry, radio telecommunications, lasers and fiber optics, and computer hardware and software. He has extensive experience in private industry, having worked as a development engineer and patent agent for Motorola, and as patent counsel for a subsidiary of Amoco Technology Company.

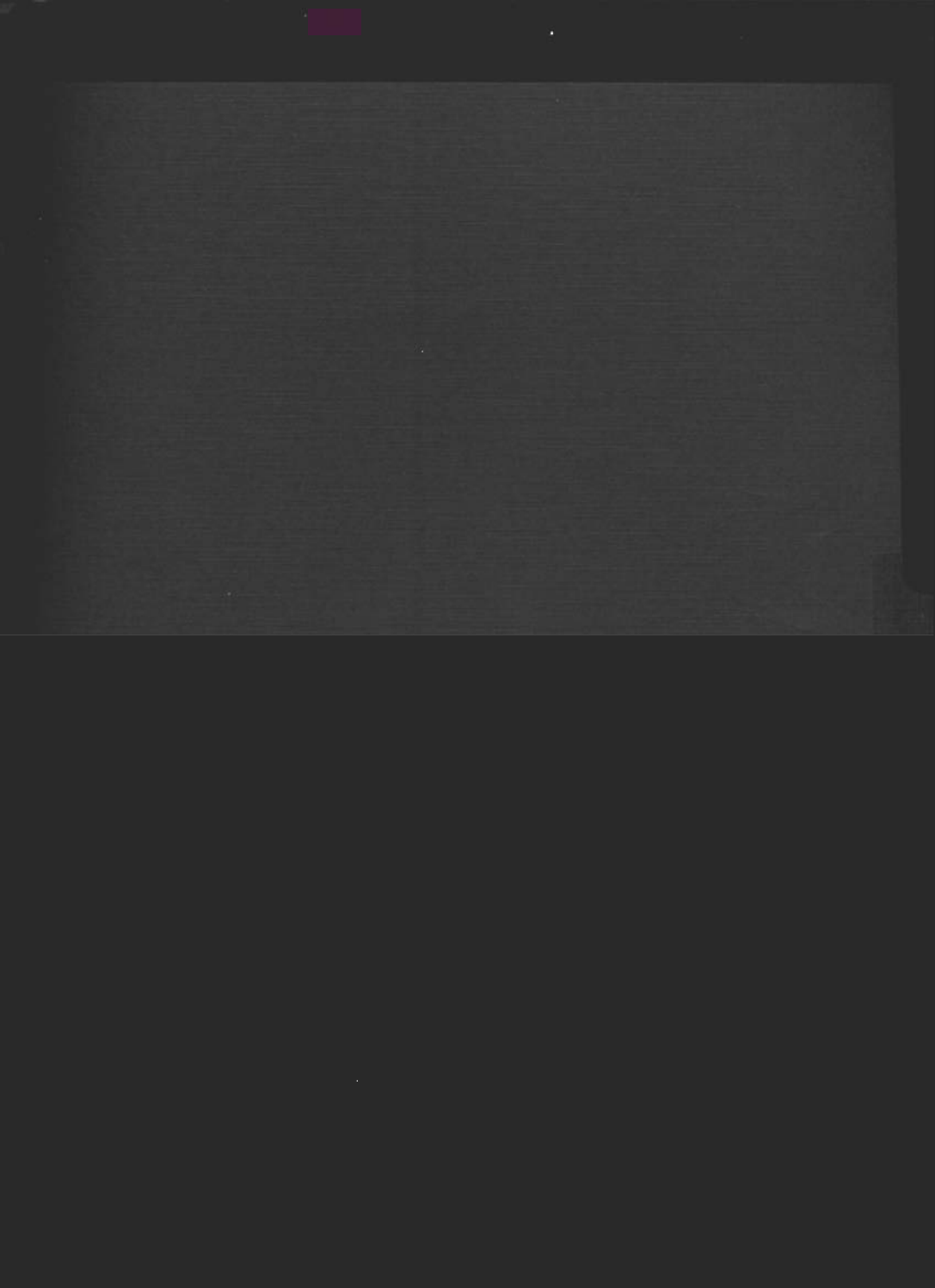
Ownership

Figure 11
Ownership Structure

Shareholder	Number of Diluted Shares	Ownership	Voting
Preferred Series A			
Crossbow/Alpine Ventures	2,580	2.4%	8.3%
Common Series A			
Eliot Bernstein	11,320	10.7%	36.3%
Crossbow/Alpine Ventures ⁽¹⁾	7,795	7.4%	25.0%
Simon Bernstein	5,350	5.0%	17.1%
Huizenga Holdings	3,007	2.8%	9.6%
Other	1,162	1.1%	3.7%
Total Voting	31,214	29.5%	100.0%
Common Series B			
Crossbow/Alpine Ventures	21,341	20.1%	
Eliot Bernstein	12,330	11.6%	
Simon Bernstein	5,000	4.7%	
Brian Utley	3,428	3.2%	
→ iViewit Technologies	5,000	4.7%	
Other Management	4,055	3.8%	
Other ⁽²⁾	23,591	22.3%	
Total Non-Voting	74,745	70.5%	
Total Shares Outstanding Diluted	105,959	100.0%	

(1) Includes anti-dilution rights

(2) Includes 2,995 non-issued employee options



VI. INDUSTRY OVERVIEW

Industry Introduction

Even in today's "narrowband" Internet environment, rich media is already becoming mainstream. Audio and video streaming and rich media downloads (e.g., MP3 files) are among the most popular Internet applications. For example, MP3 is still one of the most popular search terms on the Web. Furthermore, there are currently over 80 million installed Real Players, 40 million Microsoft Windows Media Players, and 20 million Apple Quick Time Players. According to Media Metrix, 20 million home users and 9 million work users used streaming media in 1999. Importantly, returning to the metrics of minutes, it is estimated that there were over 145,000 hours/week of live sports, music, news, and entertainment being broadcast over the Internet using Real Networks technology in 1999. These trends are **leading** indicators of building demand for rich Internet media and the infrastructure needs **associated** with fulfilling the demand.

One key macro trend that will likely accelerate the migration of rich media to the Internet is the convergence of offline and online media companies. The recent AOL/TimeWarner mega-merger is the first wake up call that the convergence of offline and online media is both real and big. The AOL/Time Warner combination brings together the key elements that should drive rich Internet media, namely a broad Internet audience, offline media **assets**, and extensive broadband capabilities. This trend should continue with further broadband or all-band initiatives as well as partnerships and mergers between offline and online media companies.

Forrester Research projects that 35% of Internet users, or 62 million, will have broadband access by 2003, up from 6% in 1999. More immediately, IDC estimates that U.S. broadband subscribers will triple by the end of 2000, reaching 17.5 million, up from 6 million in 1999.

Video Streaming Overview

Until now, the delivery of content over the Internet was substantially text-based, and attempts to transmit video content over the Internet have been marred by long downloads, small image size, reduced frame rates and poor unacceptable quality. Reducing the bandwidth time it takes to transmit files usually has meant delivering a picture that appears "herky-jerky" and out of sync with the sound. Providing video that is comparable with television (full motion/full screen/full frame rates), on the other hand, typically has been impossible because of the large file sizes resulting in the need for over 2 T1 lines of bandwidth to watch a single video. Trying to squeeze television-quality video files into sizes that can be transmitted on the Internet proved elusive accompanied by severe limitations, such as the requirement for costly and often unavailable bandwidth.

Current industry processing techniques do not provide solutions for clear, full TV frame rate, full screen streaming video at 150+ Kbps. Current videos tend to be herky-jerky and "kung-fu movie like" in that video and audio do not match even over broadband. Also, many current videos can typically only be viewed as 1/16 of the screen in order to improve the apparent quality of the picture. State of the art video even for high bandwidth users (ISDN, DSL, Cable, T1 and Fiber) remains "framey" and out of sync.

As recently as December 1999, *The Industry Standard* indicated that the Internet speed required for Television-like quality video would not be possible until the 700+ Kbps range was reached and that "nowhere in the tech world have there been more unfulfilled promises than in the realm of next-generation television." iViewit's video technologies have bridged the gap by enabling distortion-free, TV quality video frame rates with CD quality audio as low as 150+ Kbps range, considered optimal for delivering broadcasts over the Internet. iViewit's video technologies also greatly enhance the modem users' experience, providing a richer video than previously thought possible.

The transmission of data intensive content over the Internet has been limited due to both technological and bandwidth constraints. However, the increasing availability of improved delivery systems, such as digital cable modems, T-1 lines, satellite delivery systems and DSL networks are enabling the use of more feature-rich multimedia content. Even at these higher bandwidth speeds video quality remained poor until iviewit developed processes that allowed users at these speeds TV quality video streaming. These broadband systems typically allow sustained data transfer to the user of at least 256 kilobits per second, or more than 5 times the access speed of the fastest standard narrowband modems.

The broadband industry is drawing billions of dollars in capital investments to develop the necessary infrastructure for broadband content and delivery. The cable companies are massively marketing this existing user base to include broadband access. Similarly, the telephone companies are upgrading their lines to offer DSL access. In addition, major hardware manufacturing companies, application developers and content providers are racing to be the de facto standard for broadband delivery.

Multimedia streaming technology is bringing new levels of versatility, quality and simplicity to the creation and distribution of multimedia content over the Web. One measure of the growth in use of streaming media is the number of registered users posted by RealNetworks, a company that develops software used by broadcasters to stream multimedia content over the Internet. The first RealPlayer was released in 1995, and to date, over 80 million unique users have been registered. The RealPlayer download rate now exceeds 175,000 per day, an increase of more than 270% since the beginning of 1997.

Streaming media is now the most widely used application, after browsers and online programs like AOL, on the Internet, and it is growing exponentially. Microsoft's Media Player, RealNetworks player and Apple's Quick-Time player are, together, installed on over 100 million PC's worldwide. Clearly, consumers want quality video, of their own selection, at a time convenient to them, on demand.

The parties involved in video streaming include end consumers, business e-commerce sites, intellectual property owners and the digital distribution companies. iviewit's suite of technologies should positively affect and benefit all of these parties.

- For consumers who have a broadband "pipe" in their homes, streaming video is the "killer application." The promise of rich visual content defines the reason for paying \$40 - \$50 per month for the increased bandwidth. It means that consumers can see the entertainment, news, product commercials, infomercials and education videos they want - at near TV quality. This promise should be maximized by the proliferation of content delivered through and with iviewit. The companies responsible for providing the infrastructure for broadband recognize the importance of promoting enabling technologies and driving media-rich content to the web. The paradigm has shifted to include content creation as a significant element of their overall strategy. Greater availability of quality content on the web should increase demand for the pipes necessary to view it.
- For B2B e-commerce sites, iviewit's technologies should provide an affordable solution to enhance the promotion of their products and services. By digitizing their already produced video commercials, infomercials, product announcements and product manuals through iviewit's proprietary system, business e-commerce sites can leverage their video and image investments into an on-demand Internet medium. There are over 14 million businesses with broadband connectivity indicating a large installed base of customers for quality visual experiences. Licensing these B2B sites will be a primary market focus for iviewit's technologies.
- For intellectual property owners, including film studios, record companies, independent film producers, television networks, sports leagues etc., iviewit's technologies means that

video streaming can finally become a revenue source. Most of these firms have already begun to stream promotional clips over the Internet. Few, if any, have monetized their content. The reason is simple; consumers will not pay for the small screen, grainy content prevalent on the web today, and the pipeline required for serving these files is expensive. iviewit's technologies provides a solution for both these issues by enhancing already produced videos to become full-screen video quality streams and reducing the digital stream size required to serve them. These solutions are at the core of iviewit's competitive market advantage.

Imaging Overview

Companies are rapidly adopting the use of digital imaging to effectively promote their products on their web sites. Digital imaging provides businesses with a powerful, cost-effective medium to maximize the impact of their web sites; however, most of the images remain flat two-dimensional images offering a limited field of view. Technological innovations that enhance realism and interactivity and contribute to a viewer's retention to that web site should facilitate the success of e-commerce by leading to increased sales and advertising rates. Specifically, immersive imaging, or the ability to enjoy the viewing perspective of being inside the image, is becoming increasingly popular with many web sites and webmasters. However, image creation with many of the existing immersive technologies is labor intensive, produces poor visual quality and requires proprietary hardware and software. As a result, market acceptance of these technologies has been limited. Until iviewit's digital imaging process the users ability to zoom into a picture or virtual reality environment was limited due to pixel distortion.

In order for widespread adoption of immersive imaging by businesses and consumers to occur, new immersive technologies must compete with iviewit standards such as:

- Ease of creating and viewing an image
- Ease of distributing and sharing the image
- "Scan, Pan and Zoom" Capabilities
- Cost effectiveness
- Use of standardized technology
- Platform independence

Competitors

iviewit is the leadership company providing video streaming that delivers a rich video experience with virtually distortion-free, full screen capability at normal, TV-equivalent frame rates of 29.97 fps (frames per second) and providing rich images over the Internet. Similarly, iviewit is the first and only company to provide virtual imaging that preserves and delivers full image quality and detail of the original image - without distortion - not only during compression (up to 100:1), but also through high resolution zoom and magnification.

iviewit has established a first mover advantage and created significant barriers to entry through the Company's patent portfolio and trade secrets. In accomplishing these technical breakthroughs, iviewit has accomplished what engineers previously thought unachievable under current bandwidth limitations. iviewit's two-year development investment gives it significant lead-time in this space providing a significant competitive advantage in development time.

The early customer validation that iviewit has achieved will likely generate and enable additional market momentum, not only establishing iviewit's breakthrough technologies as unique, but also underscoring and confirming it as the "gold standard" for video/audio streaming and imaging over the Internet.

However, iviewit is not the only company to provide video/audio streaming and immersive imaging solutions although it is important to understand that iviewit has proprietary processes

that differentiate it from other providers. The development of iviewit's proprietary technologies and techniques has been the focus of the Company's patent portfolio.

iviewit's proprietary technologies have been designed to utilize and take advantage of the burgeoning availability and use of broadband (100-700 Kbps spectrum) using existing browsers and players (e.g., Real Player, Media Player and Quick Time); other known efforts at video/audio streaming and imaging that were developed for these bandwidths produced results associated with dial-up modem capabilities. iviewit technologies have accomplished previously unachieved quality and features in streaming audio and video, with the intent and capability to drive these advantages downward (from the "sweet-spot," or most efficiently used broadband zone: 150+ Kbps) to the dial-up range. The result is improved quality even at low bandwidths. In comparison, the competition's attempts to improve the quality of streaming video have resulted in significant limitations and compromises such as reduced frame rates, small screen display, and herky-jerky video with "kung-fu" movie-like audio overlays.

What is the current and near term real competition in both streaming and imaging for iviewit and what are the metrics and differentiators?

Video

The three companies most frequently compared to iviewit are Loudeye, Sonic Foundry and EncodeThis!. In addition to these encoding specialists, iviewit can anticipate competition from some of the companies in the hosting and serving space like Akamai and Digital Island. iviewit expects to compete with the encoding specialists on the basis of quality. iviewit will also differentiate itself from the competition by providing application solutions for specific markets like distance learning. iviewit regards the major players in the hosting & serving sector as likely partners going forward. Their core competency and business model focus is on the storage and delivery of content. As evidenced by Akamai's purchase of Intervu, these infrastructure players are likely to be acquisitive or look to ally with the stronger technology partners.

Imaging

In the imaging marketplace, the three companies most frequently compared to iviewit are IPIX, MGI software and Xippix.

IPIX

1. **Virtual Tours:** This product utilizes a "fish-eye" photographic lens to capture a 360° **image of a scene**. The IPIX solution results in images with severe distortion and **limited magnification**. Additionally, their solution takes a "one-size-fits-all" approach by limiting their tours to only one option – a 360° view. Their success in the residential real estate market can be explained by the fact that the usefulness of this inferior "limited" imaging technology is "good enough" to help a real estate buyer to narrow the choices from many properties to several before a final purchase decision is made in person. The product offered by IPIX is a low-end solution and not direct competition for iviewit. The travel/hotel/resort industries provide excellent examples of businesses that must capture a viewer's eye and emotion through their online photographs and virtual tours. These companies require the quality and flexibility of the iviewit solution.
2. **Rimfire Dynamic Imaging:** This product displays a series of photographs designed **to provide a viewer with the** ability to see a product from several angles. This multi-frame "slideshow" offers no ability to pan or zoom and is simply a series of static photographs. iviewit's object modeling solution provides a seamless rotation of an object and the ability to zoom in and inspect the product at any time. Retailers and auction companies are afforded greater image quality and display flexibility with the iviewit solution.

3. *Movies*: This product combines a "fish-eye" lens with a video camera and allows the user to choose the viewing perspective. While this is an interesting idea, the chief drawback to its adoption is the requirement that the content be filmed specifically for this application. This is a significantly limiting factor since existing content cannot be repurposed for this application and conventional video shoots must now be duplicated in order to utilize this solution. Additionally, a visit to the IPIX website reveals that none of the IPIX movie streams actually play.

MGI Software and Xippix

These companies offer a suite of imaging applications that offer similar capabilities. The chief differences between the product offerings from these firms and iviewit's products can be explained by focusing on two display components:

- *Transmission of digital information*
iviewit offers the **only** solution that does not require the continual transmission of data from the server to the user's computer to enable the zooming and panning functionality. This is a significant advantage especially for users connected at slower speeds. Each time a user zooms into or pans around on an MGI or Xippix image, the user's display screen must redraw the image. A user's interaction with an iviewit image results in fluid movement and clarity of image at all times.
- *Image viewing window*
Since MGI and Xippix must redraw the screen each time the user manipulates an image, the image viewing window must be small in order to limit the total number of pixels that must redraw. Conversely, since iviewit's images do not require the re-transmission of data when images are manipulated by a user, the size of the image viewing window does not affect the performance of the viewing experience.

What is the perception of competition to iviewit's technology?

iviewit's technologies enable B2B and B2C sites. The casual web surfer may perceive certain destination sites as competitors when, in fact, they are customers. Hollywood.com is an excellent example of an iviewit client that might appear to be a competitor. The highest visibility sites are businesses that are attempting to monetize content through a pay-per-view or advertising model (e.g. Vidnet, iFilm, MTVi). Their business is dependent upon professional encoding and end-to-end applications service providers, like iviewit, for their success. Similarly, the companies providing the standard players for streaming media (Microsoft, Real NetworksPlayer and AppleQuicktime) do not directly compete with iviewit. They provide the necessary player interfaces that allow a computer user to play the iviewit files.

Very few companies will likely find it economically feasible to invest in the systems and talent necessary to provide these visual solutions in-house. Sophisticated processes and systems configurations together with an environment of rapidly changing standards and innovation combine to create significant barriers for the do-it-yourselfers to create this visual content for themselves.

What is the Company's business strategy to deal with future competitive technologies to maintain competitive advantage?

The critical issues for iviewit regarding competition relate to what are the important technology issues going forward, where the industry is moving, and what are the most important areas for future research and development to maintain a competitive initiative.

The encoding procedure itself and the evolution recently of many "encoding farms" is not a solution, but simply a function of immediate demand. Going forward, significant emphasis will be focused upon the steps that occur before encoding (i.e. pre-processing for both internet and broadcasting), the enhancement of existing MPEG 2 format, and variations of MPEG-4 to improve it. Because iviewit is a "process technology" with pending patents focused on efficiency equations, the many applications for this technology are just now being recognized. Improvements in all three areas cited above will likely become a core area for new technology

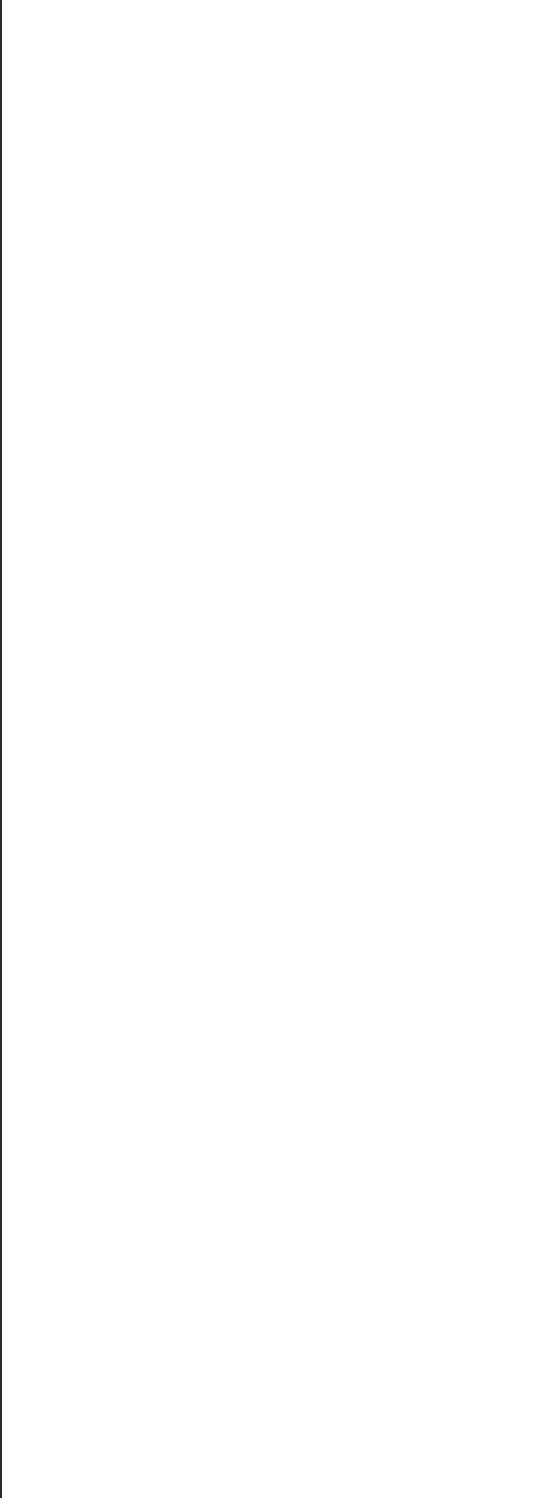
in the future. Significant effort by iviewit in the development of research to improve and expand its processes and new uses for the efficiency equation are being now extensively explored in collaboration with others. The Company expects many further patents, improvements in existing pending patents, and a broad "protective shield" for many new and future applications will be a focus for the Company. The industry should move toward improvements pre-encoding, the development of internal efficiencies for encoding and codec formats, and new advances in broadband delivery in the future. iviewit expects to focus upon collaborative strategic relationships in research and marketing channels to continue to position and protect its intellectual properties.

As the industry discovers new applications, as "hot technology segments" appear and as competitors emerge in each space, iviewit expects to emphasize its role as an innovator and deliverer of solutions to the marketplace with focus upon improving the performance and cost characteristics of its business environment.

For small entities that develop competitive technologies that become a "hot spot", iviewit may either acquire the technology or possibly acquire the competition. For larger companies that provide a new competitive technology or "hot spot" in iviewit's product and marketing space, collaborations, strategic alliances and licensing are traditional tools.

Primarily, iviewit must lead in continual research and development, and employ capital and resources to maintain its prominence as a technology platform for all areas that become a part of its offerings in the marketplace.

iviewit expects to continue to aggressively develop its technologies, applications and its patent pool and forge strategic R&D relationships to help ensure its position as a leading provider of visual solutions. Strategic investments and acquisitions are also anticipated.



VII. FINANCIAL PROJECTIONS

Video processing is priced at \$5/min with an average of 4 formats per video. Hosting and serving is priced at \$50/GB per month and \$30/GB per month, respectively. The Company expects to serve 70% of the processed video minutes and to host 25% of the clients' videos. The video revenue model assumes each video to consist of 2-5 minutes of source material varying with segment (music, magazines, studios, sports, other). The Company expects to be servicing 48 video customers within four quarters of this financing. Based on the above assumptions, this represents 380GB of encoded video and 6,385GB served for these customers. See page 14-16 of the Detailed Financial Model in the Appendix for further information.

Imaging is modeled much the same as video. The Company assumes \$3/image for processing, but hotels/resorts are priced per property at \$7,800/property. Monthly hosting and serving is priced at \$149/property for hotels/resorts. General hosting/serving is priced the same as video on a per GB basis. One-time set-up fees of \$1,500 are charged as well. The Company assumes a licensing fee of \$112,500 for the first year and \$84,375 for subsequent years. See page 17-19 of the Detailed Financial Model in the Appendix for further information.

The revenue projections are as follows:

Figure 12
Projected Revenues

Video	Year 1	Year 2	Year 3
Encoding	\$564,435	\$5,305,221	\$14,202,070
Archival	\$98,465	\$1,189,155	\$4,851,618
Hosting	\$19,913	\$215,011	\$729,939
Serving	\$302,115	\$4,343,611	\$19,594,573
Master Licensing	\$675,000	\$3,431,250	\$3,993,750
Web Design & Consulting	\$113,100	\$480,600	\$458,400
Video Total by Year	\$1,659,929	\$14,484,248	\$43,371,950
Imaging			
Annual License Fee Revenue	\$21,000	\$150,500	\$323,500
Setup Fee Revenue	\$60,000	\$147,000	\$84,000
Hotel & Resort Packages Revenue	\$85,800	\$343,200	\$202,800
Image Processing Revenue	\$576,387	\$3,102,735	\$5,811,171
Master License Revenue	\$787,500	\$3,178,125	\$3,965,625
Hosting Revenue	\$22,775	\$180,002	\$516,868
Serving Revenue	\$232,529	\$2,290,568	\$7,860,524
Hosting & Serving Revenue for Hotels & Resorts	\$9,387	\$65,709	\$132,759
Archival	\$45,942	\$372,823	\$1,089,549
Web Design & Consulting	\$138,000	\$462,000	\$472,200
Imaging Total by Year	\$1,979,320	\$10,292,662	\$20,458,996
Grand Total by Year	\$3,639,248	\$24,776,909	\$63,830,946

Figure 13
Projected Revenue Breakdown

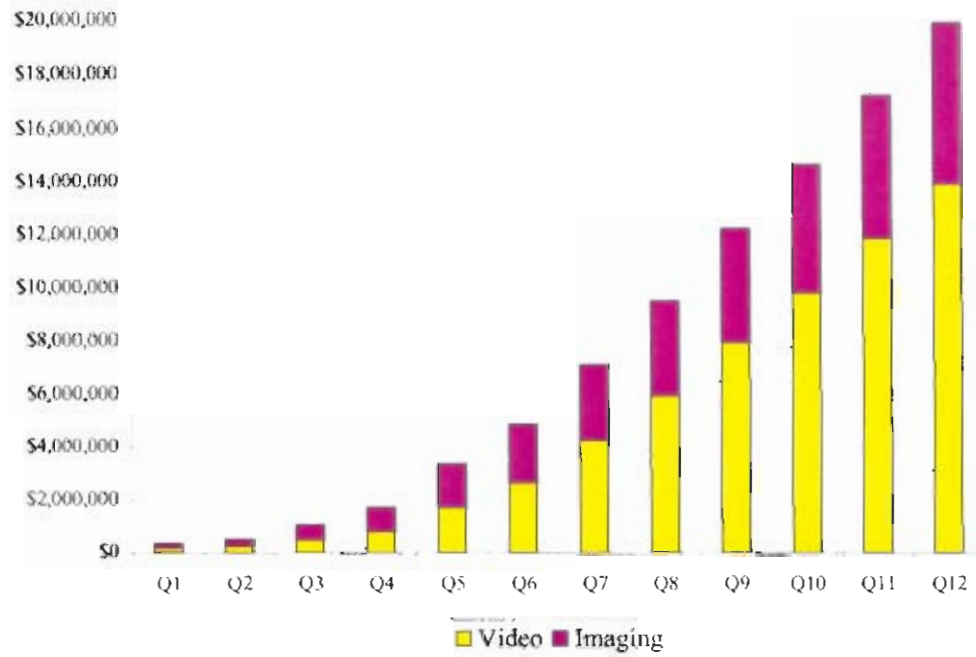


Figure 14
Projected Video Revenue Breakdown

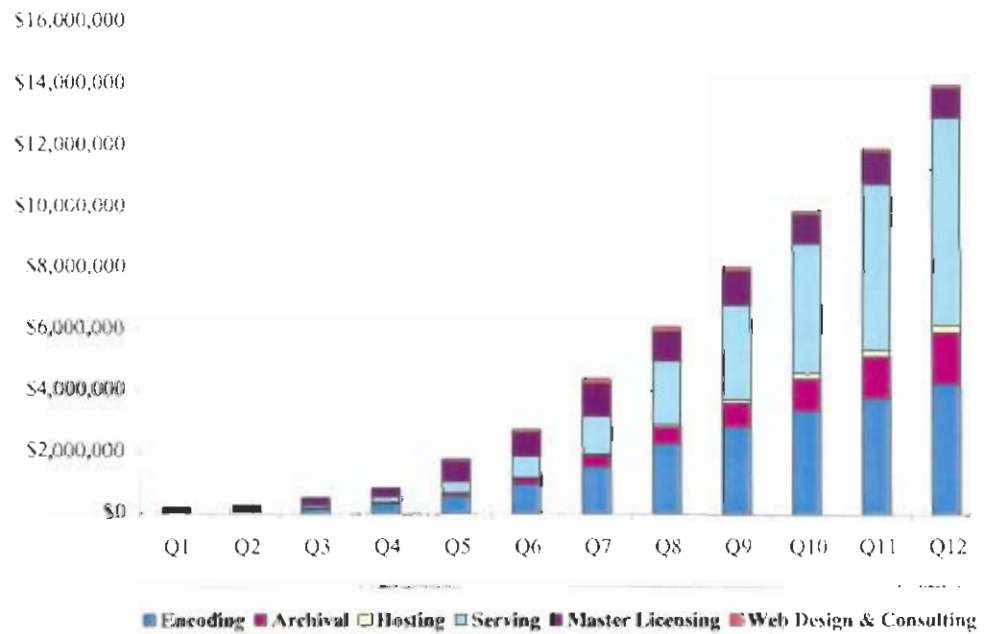


Figure 15
Projected Imaging Revenue Breakdown

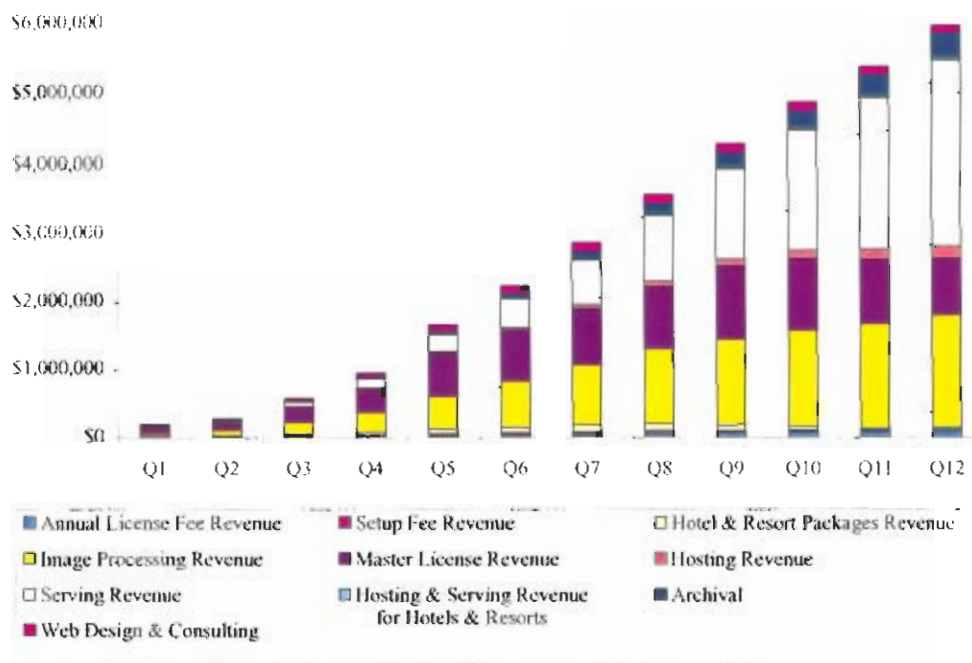


Figure 16
Projected Income Statement

	YEAR 1	YEAR 2	YEAR 3
REVENUE	\$ 3,639,248	\$ 24,776,909	\$ 63,830,946
COST OF GOODS SOLD	2,057,453	6,617,445	13,192,434
GROSS PROFIT	1,581,796	18,159,464	50,638,512
OPERATING EXPENSES:			
SELLING, GENERAL, & ADMINISTRATIVE	9,861,781	13,870,983	24,790,101
RESEARCH AND DEVELOPMENT	776,326	1,705,086	2,686,204
TOTAL OPERATING EXPENSES	10,638,107	15,576,069	27,476,305
OPERATING PROFIT (LOSS)	(9,056,311)	2,583,395	23,162,207
NET INCOME (LOSS)	\$ (9,157,644)	\$ 2,364,062	\$ 16,378,757
EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION	\$ (8,860,499)	\$ 3,871,945	\$ 26,610,280









iviewit Holdings, Inc.

Projected Financial Statements

For the Three Years

From Expansion of Operations

(January 1, 2001)

iviewit Holdings, Inc.
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FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

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GOLDSTEIN LEWIN & CO.

Certified Public Accountants and Consultants

ACCOUNTANT'S REPORT

Board of Directors
iviewit Holdings, Inc.
Boca Raton, Florida

We have compiled the accompanying statements of projected balance sheets of iviewit Holdings, Inc., for each of the three years from expansion of operations (January 1, 2001) and the related statements of projected operations, cash flows and supplemental projection information for each of the three years then ending in accordance with standards established by the American Institute of Certified Public Accountants.

The accompanying projected statements, supplemental projected information, and this report were prepared to assist the Company in obtaining equity financing and should not be used for any other purpose.

A compilation is limited to presenting, in the form of a projected financial statement and supplemental projection information, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projected financial statements and supplemental projection information and, accordingly, do not express an opinion or any other form of assurance on the accompanying projected statements, supplemental projection information or assumptions. Furthermore, even if the hypothetical assumptions described in Note 1 materialize, there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are not independent with respect to iviewit Holdings, Inc.

/s/ GOLDSTEIN LEWIN & CO.

Boca Raton, Florida
September 1, 2000

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iviewit Holdings, Inc
STATEMENTS OF PROJECTED BALANCE SHEETS
YEARS ENDING FROM EXPANSION OF OPERATIONS (JANUARY 1, 2001)

See Accompanying Accountant's Compilation Report and Summary
of Significant Projection Assumptions and Accounting Policies

iviewit Holdings, Inc
STATEMENTS OF PROJECTED OPERATIONS AND
EARNINGS BEFORE INCOME TAXES, DEPRECIATION AND AMORTIZATION
FOR THE THREE YEAR PERIOD FROM EXPANSION OF OPERATIONS (JANUARY 1, 2001)

See Accompanying Accountant's Compilation Report and Summary
of Significant Projection Assumptions and Accounting Policies

iviewit Holdings, Inc
SUMMARY OF SIGNIFICANT PROJECTION
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 1: NATURE AND LIMITATIONS OF PROJECTIONS

The accompanying projected financial statements present, in accordance with generally accepted accounting principals and to the best of management's knowledge and belief, iviewit Holdings, Inc.'s (the "Company") expected balance sheets as of the end of each projection period and the expected results of its operations and earnings before income taxes, depreciation and amortization and its cash flows for the projection periods, based upon a hypothetical assumption. It has been assumed that equity financing of \$20,000,000 will be obtained from venture capital sources. The operational revenue and expenses have been based upon the collective experience of management in operating other companies, as well as an evaluation of companies in similar industries. The projected statements reflect management's judgment at September 1, 2000, the date of these projections, of the expected conditions and the expected course of action if the hypothetical assumption materializes. Because events and circumstances frequently do not occur as expected, even if the hypothetical assumption materializes, there will usually be differences between projected and actual results, and those differences may be material.

Following a period of technology development, the Company commenced operations in July 1999. Actual commercialization began early this year, and the Company's first revenue producing customers initiated in the second quarter of 2000. The Company has developed a production department to service current and active prospective customers. A V.P. of Operations was engaged in June, 1999, and the Company is committed to maintaining a production capability at all times that anticipates its future needs; in that respect, the accompanying projected financial statements rely on that philosophy whereby there should be no production lag time in the Company's ability to accommodate and service new clients.

Since commencing operations, the Company has raised approximately \$3 million to fund its activities. As of this date, the Company has approximately \$300,000 in bank accounts. In addition to the \$20 million capital raise contemplated in these projections, the Company currently is attempting to raise an additional interim amount of up to \$3 million. If successful, such additional funding may leave a cash balance not required for operations at the time of the \$20 million funding (December 2000). However, such possible cash balance has not been contemplated in the projected financial statements herein.

The following is a summary of assumptions that the developer believes are significant to the projection and schedules providing additional information about the items discussed.

NOTE 2: NATURE OF OPERATIONS DURING THE PROJECTION PERIOD

The Company is seeking an equity investment of \$20,000,000 to aggressively commercialize its proprietary video/audio streaming and digital imaging technologies that provide Internet infrastructure capabilities for any e-commerce application. The Company has set up offices and a production facility in Boca Raton, Florida and additional offices are contemplated in locations which can capitalize on key market applications, beginning with Los Angeles, Chicago and New York. Potential clients for the imaging and digital video encoding services include: entertainment and media, hotel and resort properties, auctions and collectibles, advertising, automotive, healthcare, executive search, and modeling industries. The Company will expand operations as soon as this equity financing is received. The Company plans to recruit a CEO, CMO and additional managers, technicians, sales and administrative personnel during the projection period. In addition, the Company will be continuing to purchase computers, software, office equipment and furnishings. It is anticipated that \$921,438 of computers, furniture and other equipment will be purchased in the first year, \$3,664,811 in the second year and an additional \$7,025,770 in the third year.

NOTE 3: ACCOUNTS PAYABLE

Accounts payable consists of expenses, payroll, sales commissions and income taxes. Payroll is payable bi-weekly as earned. Sales commissions are payable semi-monthly in arrears. Income taxes are payable in the

iviewit Holdings, Inc
SUMMARY OF SIGNIFICANT PROJECTION
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 3: ACCOUNTS PAYABLE (Continued)

month following the liability. All other expenses have been determined to be payable partially within 30 days and the balance within 60 days. Management has projected the percentages payable for each of the years as follows: year 1 80/20, year 2 60/40, and year 3 50/50.

NOTE 4: REVENUE

The total revenue stream is based upon the licensing, processing, hosting, archiving and streaming of video/audio and digital images on the Internet in addition to web design and consulting revenue. For each client, the revenue is based upon license fees, video or image size and the nature and number of items processed. Growth factors are based upon the proliferation of broadband, the experience the Company has gained from the initial commercialization of its products and services, as well as management's research of companies in similar industries. Revenue is calculated quarterly and recognized monthly at 31.75%, 33.25% and 35.00% across the quarter. Revenue is projected to be collected 30% within 1-30 days, 40% within 31-60 days, 20% within 61 to 90 days, 6% within 91-120 days and 4% as an estimate for bad debt.

NOTE 5: EXPENSES OTHER THAN DEPRECIATION

Substantially all of the expenses for the varying expected revenue levels are based upon management's research of existing Internet companies and the business experience of the individual management team members.

The following summarizes significant assumptions for projected expenses and other items:

- A. Cost of goods sold is based upon the per unit cost of production and an allocation of the production related operating expenses. The following are the allocation percentages, by facility and department:

<i>Facility</i>	<i>Allocation Matrix</i>			
	<i>Corporate</i>	<i>R&D</i>	<i>Production</i>	<i>Marketing</i>
Boca Raton	35%	10%	25%	30%
Los Angeles	5%	0%	45%	50%
New York	5%	0%	45%	50%
Chicago	5%	0%	45%	50%

- B. Rent expense is based upon an office in Boca Raton, Florida and three additional offices to be established in quarters two, four and six.
- C. Payroll expense is based upon the annual salaries of the various different classifications of employees which management projects will be required. Employee Benefits are projected at 25% of total salaries.
- D. Advertising and Trade Shows is projected to be \$2,390,000 in year 1, \$1,990,000 in year 2 and \$1,790,000 in year 3.
- E. Legal and Accounting Fees (Outside Counsel), excluding annual audit fees, are projected to be \$72,000 per year. Audit Fees are projected to be \$65,000 in year 1, \$100,000 in year 2 and \$135,000 in year 3.
- F. Contract work related to production is projected to be \$180,500 in year 1, \$413,921 in year 2 and \$487,033 in year 3.

iviewit Holdings, Inc
SUMMARY OF SIGNIFICANT PROJECTION
ASSUMPTIONS AND ACCOUNTING POLICIES

NOTE 5: EXPENSES OTHER THAN DEPRECIATION (CONTINUED)

- G. Consulting Expense is projected to be \$216,000 per year.
- H. Aggregate Sales Commissions for inside sales persons and outside referrals are projected to be 15% of collected revenue and are payable semi-monthly in arrears.
- I. Network Support Costs are allocated 65% to projected marketing expense, 25% to projected corporate expense and 10% to projected research and development expense.
- J. An Investment Banking Fee of \$ 1,200,000 is projected to be paid in the first month.
- K. All other expenses are based on projected revenue increases taking into account economies of scale in accordance with management's experience.

NOTE 6: INCOME TAXES

Income taxes have been provided for at 40% of net income in the period when prior losses are exceeded.

NOTE 7: DEPRECIATION

Depreciation is computed using straight-line methods over the useful life of the assets as follows:

<u>Type of Asset</u>	<u>Useful Life</u>
Software	3 years
Computers and Video Equipment	3 years
Telephone System	5 years
Furniture, Fixtures, and Equipment	5 years

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED REVENUE AND EXPENSES
FOR THE FIRST YEAR FROM EXPANSION OF OPERATIONS

	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	TOTAL
REVENUE:													
Video Streaming	\$49,967	\$52,327	\$55,081	\$72,891	\$76,335	\$80,352	\$156,244	\$163,626	\$172,237	\$247,926	\$259,639	\$273,304	\$1,659,929
Imaging	\$62,208	\$65,147	\$68,575	\$88,040	\$92,199	\$97,052	\$180,735	\$189,274	\$199,236	\$297,451	\$311,504	\$327,899	1,979,320
Total Revenue	\$112,174	\$117,474	\$123,657	\$160,931	\$168,534	\$177,404	\$336,979	\$352,899	\$371,473	\$545,378	\$571,143	\$601,204	\$3,639,248
COST OF GOODS SOLD	107,549	112,630	118,558	145,530	152,406	160,427	170,780	178,849	188,262	229,381	240,218	252,861	2,057,453
		338,737			458,364			537,891			722,461		
GROSS PROFIT (LOSS)	4,625	4,844	5,099	15,400	16,128	16,977	166,199	174,051	183,211	315,996	330,925	348,342	1,581,796
OPERATING EXPENSES:													
Marketing Expense	\$441,371	\$462,223	\$486,551	\$470,071	\$492,279	\$518,189	\$480,944	\$503,666	\$530,175	\$536,075	\$561,401	\$590,949	\$6,073,894
Corporate Expense	595,268	595,268	595,268	195,588	195,588	195,588	207,404	207,404	207,404	264,370	264,370	264,370	3,787,887
R&D Expense	49,899	49,899	49,899	66,776	66,776	66,776	66,656	66,656	66,656	75,445	75,445	75,445	776,326
	\$1,086,538	\$1,107,390	\$1,131,717	\$732,434	\$754,643	\$780,552	\$755,004	\$777,726	\$804,234	\$875,890	\$901,216	\$930,764	\$10,638,107
OPERATING PROFIT (LOSS)	(1,081,912)	(1,102,546)	(1,126,618)	(717,034)	(738,515)	(763,575)	(588,805)	(603,675)	(621,023)	(559,894)	(570,291)	(582,422)	(9,056,311)
Depreciation Expense	8,444	8,444	8,444	8,444	8,444	8,444	8,444	8,444	8,444	8,444	8,444	8,444	101,333
INCOME BEFORE TAXES	(\$1,090,357)	(\$1,110,990)	(\$1,135,063)	(\$725,479)	(\$746,959)	(\$772,020)	(\$597,250)	(\$612,120)	(\$629,468)	(\$568,338)	(\$578,736)	(\$590,866)	(\$9,157,644)
INCOME TAXES	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME	(\$1,090,357)	(\$1,110,990)	(\$1,135,063)	(\$725,479)	(\$746,959)	(\$772,020)	(\$597,250)	(\$612,120)	(\$629,468)	(\$568,338)	(\$578,736)	(\$590,866)	(\$9,157,644)

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED REVENUE AND EXPENSES
FOR THE SECOND YEAR FROM EXPANSION OF OPERATIONS

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
REVENUE:													
Video Streaming	\$539,866	\$565,371	\$595,127	\$834,718	\$874,153	\$920,161	\$1,344,368	\$1,407,881	\$1,481,980	\$1,879,798	\$1,968,607	\$2,072,218	\$14,484,248
Imaging	\$523,699	\$548,441	\$577,306	\$705,418	\$738,745	\$777,626	\$906,700	\$949,536	\$999,512	\$1,132,103	\$1,185,588	\$1,247,987	10,292,662
Total Revenue	\$1,063,564	\$1,113,812	\$1,172,433	\$1,540,136	\$1,612,898	\$1,697,788	\$2,251,068	\$2,357,417	\$2,481,492	\$3,011,901	\$3,154,195	\$3,320,205	\$24,776,909
COST OF GOODS SOLD	379,546	397,477	418,397	471,231	493,494	519,468	578,657	605,995	637,889	671,605	703,334	740,352	6,617,445
		1,195,421			1,484,193			1,822,541			2,115,290		
GROSS PROFIT	684,018	716,334	754,036	1,068,905	1,119,404	1,178,320	1,672,411	1,751,423	1,843,603	2,340,296	2,450,861	2,579,854	18,159,464
OPERATING EXPENSES:													
Marketing Expense	\$571,293	\$598,283	\$629,772	\$681,734	\$713,942	\$751,518	\$830,878	\$870,132	\$915,929	\$981,875	\$1,028,263	\$1,082,382	\$9,656,001
Corporate Expense	274,069	274,069	274,069	312,341	312,341	312,341	363,009	363,009	363,009	455,575	455,575	455,575	4,214,982
R&D Expense	102,122	102,122	102,122	155,893	155,893	155,893	155,115	155,115	155,115	155,233	155,233	155,233	1,705,086
	\$947,484	\$974,474	\$1,005,963	\$1,149,968	\$1,182,176	\$1,219,752	\$1,349,001	\$1,388,256	\$1,434,052	\$1,592,682	\$1,639,070	\$1,693,189	\$15,576,069
OPERATING PROFIT (LOSS)	(263,466)	(258,140)	(251,927)	(81,064)	(62,772)	(41,432)	323,410	363,167	409,551	747,614	811,791	886,665	2,583,395
Depreciation Expense	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	18,278	219,333
INCOME BEFORE TAXES	(\$281,744)	(\$276,418)	(\$270,205)	(\$99,342)	(\$81,050)	(\$59,710)	\$305,132	\$344,889	\$391,273	\$729,336	\$793,513	\$868,387	\$2,364,062

INCOME TAXES	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCOME	(\$281,744)	(\$276,418)	(\$270,205)	(\$99,342)	(\$81,050)	(\$59,710)	\$305,132	\$344,889	\$391,273	\$729,336	\$793,513	\$868,387	\$2,364,062

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED REVENUE AND EXPENSES
FOR THE THIRD YEAR FROM EXPANSION OF OPERATIONS

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
REVENUE:													
Video Streaming	\$2,514,532	\$2,633,329	\$2,771,925	\$3,104,160	\$3,250,813	\$3,421,909	\$3,748,315	\$3,925,400	\$4,132,000	\$4,403,587	\$4,611,631	\$4,854,348	\$43,371,950
Imaging	\$1,358,952	\$1,423,154	\$1,498,057	\$1,544,709	\$1,617,688	\$1,702,829	\$1,703,277	\$1,783,747	\$1,877,629	\$1,888,793	\$1,978,027	\$2,082,134	20,458,996
Total Revenue	\$3,873,483	\$4,056,483	\$4,269,982	\$4,648,870	\$4,868,501	\$5,124,738	\$5,451,592	\$5,709,147	\$6,009,629	\$6,292,380	\$6,589,658	\$6,936,482	\$63,830,946
COST OF GOODS SOLD	937,564	981,858	1,033,535	999,830	1,047,066	1,102,175	1,085,603	1,136,892	1,196,728	1,165,600	1,220,668	1,284,914	13,192,434
		2,952,956			3,149,072			3,419,223			3,671,182		
GROSS PROFIT	2,935,920	3,074,625	3,236,447	3,649,039	3,821,435	4,022,563	4,365,989	4,572,256	4,812,901	5,126,780	5,368,990	5,651,568	50,638,512
OPERATING EXPENSES:													
Marketing Expense	\$1,159,496	\$1,214,275	\$1,278,185	\$1,313,195	\$1,375,236	\$1,447,617	\$1,462,340	\$1,531,427	\$1,612,028	\$1,613,694	\$1,689,932	\$1,778,875	\$17,476,300
Corporate Expense	496,368	496,368	496,368	563,808	563,808	563,808	631,588	631,588	631,588	746,169	746,169	746,169	7,313,802
R&D Expense	222,036	222,036	222,036	224,516	224,516	224,516	224,322	224,322	224,322	224,528	224,528	224,528	2,686,204
	\$1,877,900	\$1,932,680	\$1,996,589	\$2,101,519	\$2,163,560	\$2,235,941	\$2,318,250	\$2,387,337	\$2,467,938	\$2,584,391	\$2,660,629	\$2,749,572	\$27,476,305
OPERATING PROFIT	1,058,020	1,141,945	1,239,858	1,547,520	1,657,875	1,786,622	2,047,739	2,184,919	2,344,963	2,542,389	2,708,361	2,901,996	23,162,207
Depreciation Expense	32,778	32,778	32,778	32,778	32,778	32,778	32,778	32,778	32,778	32,778	32,778	32,778	393,333
INCOME BEFORE TAXES	\$1,025,242	\$1,109,167	\$1,207,081	\$1,514,742	\$1,625,097	\$1,753,844	\$2,014,961	\$2,152,141	\$2,312,185	\$2,509,611	\$2,675,584	\$2,869,218	\$22,768,874
INCOME TAXES	0	0	0	0	0	576,636	805,984	860,857	924,874	1,003,844	1,070,233	1,147,687	6,390,116
NET INCOME	\$1,025,242	\$1,109,167	\$1,207,081	\$1,514,742	\$1,625,097	\$1,177,208	\$1,208,977	\$1,291,285	\$1,387,311	\$1,505,767	\$1,605,350	\$1,721,531	\$16,378,757

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED CASH FLOWS - BY MONTH
FOR THE FIRST YEAR FROM EXPANSION OF OPERATIONS

	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:													
NET INCOME(LOSS)	(\$1,090,357)	(\$1,110,990)	(\$1,135,063)	(\$725,479)	(\$746,959)	(\$772,020)	(\$597,250)	(\$612,120)	(\$629,468)	(\$568,338)	(\$578,736)	(\$590,866)	(\$9,157,644)
ADJUSTMENTS:													
DEPRECIATION	24,762	24,762	24,762	24,762	24,762	24,762	24,762	24,762	24,762	24,762	24,762	24,762	297,146
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(112,174)	(83,821)	(43,545)	(54,409)	(36,080)	(30,480)	(176,492)	(135,991)	(84,915)	(214,381)	(161,759)	(115,604)	(1,249,651)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	117,628	4,342	5,066	(2,290)	4,651	5,426	1,210	5,117	5,969	24,752	6,398	7,465	185,734
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,060,141)	(1,165,707)	(1,148,780)	(757,416)	(753,626)	(772,312)	(747,769)	(718,231)	(683,651)	(733,205)	(709,334)	(674,243)	(9,924,415)
CASH FLOWS FROM INVESTING ACTIVITIES:													
PAYMENTS FOR FIXED ASSETS	(99,269)	(99,269)	(99,269)	(45,814)	(45,814)	(45,814)	(46,862)	(46,862)	(46,862)	(115,200)	(115,200)	(115,200)	(921,438)
CASH USED IN INVESTING ACTIVITIES	(99,269)	(99,269)	(99,269)	(45,814)	(45,814)	(45,814)	(46,862)	(46,862)	(46,862)	(115,200)	(115,200)	(115,200)	(921,438)
CASH FLOWS FROM FINANCING ACTIVITIES:													
PROCEEDS FROM INVESTOR FINANCING	20,000,000	0	0	0	0	0	0	0	0	0	0	0	20,000,000
CASH PROVIDED BY FINANCING ACTIVITIES	20,000,000	0	0	0	0	0	0	0	0	0	0	0	20,000,000
INCREASE(DECREASE) IN CASH	18,840,590	(1,264,976)	(1,248,049)	(803,230)	(799,441)	(818,126)	(794,631)	(765,093)	(730,513)	(848,405)	(824,535)	(789,443)	9,154,147
CASH - BEGINNING	0	18,840,590	17,575,614	16,327,565	15,524,335	14,724,894	13,906,768	13,112,137	12,347,044	11,616,531	10,768,125	9,943,591	0
CASH - ENDING	\$18,840,590	\$17,575,614	\$16,327,565	\$15,524,335	\$14,724,894	\$13,906,768	\$13,112,137	\$12,347,044	\$11,616,531	\$10,768,125	\$9,943,591	\$9,154,147	\$9,154,147

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED CASH FLOWS - BY MONTH
FOR THE SECOND YEAR FROM EXPANSION OF OPERATIONS

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:													
NET INCOME(LOSS)	(\$281,744)	(\$276,418)	(\$270,205)	(\$99,342)	(\$81,050)	(\$59,710)	\$305,132	\$344,889	\$391,273	\$729,336	\$793,513	\$868,387	\$2,364,062
ADJUSTMENTS:													
DEPRECIATION	125,657	125,657	125,657	125,657	125,657	125,657	125,657	125,657	125,657	125,657	125,657	125,657	1,507,883
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(522,639)	(400,353)	(257,324)	(492,894)	(376,813)	(294,539)	(715,854)	(573,286)	(434,598)	(769,010)	(629,349)	(527,189)	(5,993,849)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	148,237	12,246	14,287	56,861	15,480	18,060	69,564	19,800	23,100	70,552	23,924	27,912	500,024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(530,489)	(538,868)	(387,585)	(409,717)	(316,726)	(210,531)	(215,501)	(82,940)	105,432	156,535	313,745	494,766	(1,621,879)
CASH FLOWS FROM INVESTING ACTIVITIES:													
PAYMENTS FOR FIXED ASSETS	(158,084)	(158,084)	(158,084)	(292,609)	(292,609)	(292,609)	(316,915)	(316,915)	(316,915)	(453,995)	(453,995)	(453,995)	(3,664,811)
CASH USED IN INVESTING ACTIVITIES	(158,084)	(158,084)	(158,084)	(292,609)	(292,609)	(292,609)	(316,915)	(316,915)	(316,915)	(453,995)	(453,995)	(453,995)	(3,664,811)
CASH FLOWS FROM FINANCING ACTIVITIES:													

PROCEEDS FROM INVESTOR FINANCING	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH PROVIDED BY FINANCING ACTIVITIES	0	0	0	0	0	0	0	0	0	0	0	0	0
INCREASE(DECREASE) IN CASH	(688,573)	(696,952)	(545,669)	(702,326)	(609,335)	(503,140)	(532,417)	(399,856)	(211,484)	(297,460)	(140,250)	40,771	(5,286,690)
CASH - BEGINNING	9,154,147	8,465,575	7,768,622	7,222,954	6,520,628	5,911,293	5,408,152	4,875,736	4,475,880	4,264,396	3,966,936	3,826,686	9,154,147
CASH - ENDING	\$8,465,575	\$7,768,622	\$7,222,954	\$6,520,628	\$5,911,293	\$5,408,152	\$4,875,736	\$4,475,880	\$4,264,396	\$3,966,936	\$3,826,686	\$3,867,457	\$3,867,457

iviewit Holdings, Inc.
STATEMENTS OF PROJECTED CASH FLOWS - BY MONTH
FOR THE THIRD YEAR FROM EXPANSION OF OPERATIONS

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:													
NET INCOME(LOSS)	\$1,025,242	\$1,109,167	\$1,207,081	\$1,514,742	\$1,625,097	\$1,177,208	\$1,208,977	\$1,291,285	\$1,387,311	\$1,505,767	\$1,605,350	\$1,721,531	\$16,378,757
ADJUSTMENTS:													
DEPRECIATION	320,117	320,117	320,117	320,117	320,117	320,117	320,117	320,117	320,117	320,117	320,117	320,117	3,841,406
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(859,511)	(733,586)	(644,659)	(764,733)	(700,011)	(699,935)	(772,257)	(755,987)	(790,405)	(797,780)	(816,093)	(887,856)	(9,222,813)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	185,656	33,034	38,539	34,094	37,254	620,099	266,012	96,876	113,022	128,079	113,110	131,962	1,797,736
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	671,503	728,732	921,078	1,104,221	1,282,457	1,417,490	1,022,848	952,191	1,030,045	1,156,182	1,222,484	1,285,754	12,795,087
CASH FLOWS FROM INVESTING ACTIVITIES:													
PAYMENTS FOR FIXED ASSETS	(516,847)	(516,847)	(516,847)	(560,023)	(560,023)	(560,023)	(603,849)	(603,849)	(603,849)	(661,205)	(661,205)	(661,205)	(7,025,770)
CASH USED IN INVESTING ACTIVITIES	(516,847)	(516,847)	(516,847)	(560,023)	(560,023)	(560,023)	(603,849)	(603,849)	(603,849)	(661,205)	(661,205)	(661,205)	(7,025,770)
CASH FLOWS FROM FINANCING ACTIVITIES:													
PROCEEDS FROM INVESTOR FINANCING	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH PROVIDED BY FINANCING ACTIVITIES	0	0	0	0	0	0	0	0	0	0	0	0	0
INCREASE(DECREASE) IN CASH	154,656	211,885	404,231	544,198	722,435	857,467	418,999	348,443	426,197	494,977	561,279	624,549	5,769,317
CASH - BEGINNING	3,867,457	4,022,113	4,233,998	4,638,229	5,182,428	5,904,862	6,762,330	7,181,329	7,529,772	7,955,969	8,450,946	9,012,225	3,867,457
CASH - ENDING	\$4,022,113	\$4,233,998	\$4,638,229	\$5,182,428	\$5,904,862	\$6,762,330	\$7,181,329	\$7,529,772	\$7,955,969	\$8,450,946	\$9,012,225	\$9,636,774	\$9,636,774

iviewit Holdings, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 1
 Video Assumptions
 FOR THE THREE YEAR PERIOD

Basic Assumptions	
Video Processing (per minute)	\$5
Average # of Encoding Formats	4
Video Hosting (per GB/Mo.) (see table below)	\$50
Video Serving (per GB) (see table below)	\$30
Percentage Served of each video	70%
% of Clients Hosting Video with iviewit	25%
First Year Annual Video Master License Fee (VML)	\$112,500
Renewal Year Annual Video Master License Fee (VML)	\$84,375
# of VML clients expressed as a % of Full-Service Clients	see table

Format	File Size (GB/min.)
avg. modem file size per minute	0.000975
avg. broadband file size per minute	0.005750
Avg. gig/min. of video for 4 formats	0.003363
Modem File Size as a % of Total	14.50%
Broadband File Size as a % of Total	85.50%

Percentage of Total Playbacks via RealPlayer	50%
Percentage of Total Playbacks via MS Win Media	50%

Quarter	Number of Client Accounts										Total VML Clients	New VML Clients by Quarter	Total Client Accounts
	Music		Magazines		Studios		Sports		All Others				
	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts			
1		1		1		1		1		2	1	1	7
2	100%	2	100%	2	25%	2	75%	2	100%	4	2	1	14
3	100%	4	100%	4	25%	3	75%	4	100%	8	4	2	27
4	80%	8	80%	8	20%	4	65%	7	85%	15	6	2	48
5	70%	14	70%	14	20%	5	55%	11	65%	25	11	5	80
6	60%	23	60%	23	20%	6	45%	16	50%	38	17	6	123
7	45%	34	50%	35	20%	8	35%	22	40%	54	25	8	178
8	25%	43	30%	46	15%	10	30%	29	25%	68	32	7	228
9	10%	48	20%	56	10%	11	15%	34	10%	75	38	6	262
10	8%	52	10%	62	5%	12	10%	38	5%	79	42	4	285
11	5%	55	5%	66	5%	13	5%	40	5%	83	45	3	302
12	5%	58	5%	70	5%	14	5%	42	5%	88	48	3	320

Renewal VML Clients	VML Clients as a % of Full-Service Clients
0	10%
0	10%
0	10%
0	10%
1	15%
1	15%
2	15%
2	15%
5	20%
6	20%
8	20%
7	20%

Quarter	Average Source Minutes per Video									
	Music		Magazines		Studios		Sports		All Others	
	Growth Factor	Avg. Source Minutes per Video	Growth Factor	Avg. Source Minutes per Video	Growth Factor	Avg. Source Minutes per Video	Growth Factor	Avg. Source Minutes per Video	Growth Factor	Avg. Source Minutes per Video
1		3.00		3.00		5.00		2.00		3.00
2	5%	3.15	5%	3.15	15%	5.75	15%	2.30	5%	3.15
3	5%	3.31	5%	3.31	15%	6.62	15%	2.65	5%	3.31
4	5%	3.48	5%	3.48	15%	7.62	15%	3.05	5%	3.48
5	5%	3.66	5%	3.66	15%	8.77	15%	3.51	5%	3.66
6	5%	3.85	5%	3.85	15%	10.09	15%	4.04	5%	3.85
7	4%	4.01	4%	4.01	15%	11.61	15%	4.65	4%	4.01
8	4%	4.18	4%	4.18	14%	13.24	14%	5.31	4%	4.18
9	2%	4.27	2%	4.27	12%	14.83	11%	5.90	2%	4.27
10	1%	4.32	2%	4.36	10%	16.32	8%	6.38	2%	4.36
11	1%	4.37	1%	4.41	8%	17.63	5%	6.70	1%	4.41
12	1%	4.42	1%	4.46	6%	18.69	5%	7.04	1%	4.46

Quarter	Hosting, Serving & Archiving Charges			
	Quarterly Discount	Hosting Charge	Serving Charge	Archiving Charge
1		\$50.00	\$30.00	\$15.00
2	2%	\$49.00	\$29.40	\$14.70
3	2%	\$48.02	\$28.81	\$14.41
4	2%	\$47.06	\$28.24	\$14.12
5	2%	\$46.12	\$27.67	\$13.84
6	2%	\$45.20	\$27.12	\$13.56
7	2%	\$44.29	\$26.58	\$13.29
8	2%	\$43.41	\$26.04	\$13.02
9	2%	\$42.54	\$25.52	\$12.76
10	2%	\$41.69	\$25.01	\$12.51
11	2%	\$40.85	\$24.51	\$12.26
12	2%	\$40.04	\$24.02	\$12.01

FOR THE THREE YEAR PERIOD

Average Number of Videos per Client											
Quarter	Music		Magazines		Studios		Sports		All Others		Total Videos
	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	Growth Factor	Avg. # of Videos per Client	
1		70		40		100		180		60	450
2	5%	74	5%	42	5%	105	5%	189	5%	63	473
3	5%	78	5%	45	5%	111	5%	199	5%	67	500
4	5%	82	5%	48	5%	117	5%	209	5%	71	527
5	5%	87	5%	51	5%	123	5%	220	5%	75	556
6	5%	92	5%	54	5%	130	5%	231	5%	79	586
7	5%	97	5%	57	5%	137	5%	243	5%	83	617
8	5%	102	5%	60	5%	144	5%	256	5%	88	650
9	2%	105	2%	62	2%	147	2%	262	2%	90	666
10	2%	108	2%	64	2%	150	2%	268	2%	92	682
11	2%	111	2%	66	2%	153	2%	274	2%	94	698
12	2%	114	2%	68	2%	157	2%	280	2%	96	715

Broadband vs. Modem Serving Ratio		
Quarter	Modem Speed	Broadband Speed
	Percentage of Total Served	Percentage of Total Served
1	80.00%	20.00%
2	78.50%	21.50%
3	77.00%	23.00%
4	75.50%	24.50%
5	74.00%	26.00%
6	72.50%	27.50%
7	71.00%	29.00%
8	69.50%	30.50%
9	68.00%	32.00%
10	66.50%	33.50%
11	65.00%	35.00%
12	63.50%	36.50%

Number of Playbacks per Video Hosted										
Quarter	Music		Magazines		Studios		Sports		All Others	
	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video	Growth Factor	# of Playbacks per Video
1		600		300		600		900		450
2	5%	630	5%	315	5%	630	5%	945	2%	459
3	5%	662	5%	331	5%	662	5%	993	2%	469
4	5%	696	5%	348	5%	696	5%	1,043	2%	479
5	4%	721	4%	361	4%	721	5%	1,096	2%	489
6	4%	747	4%	374	4%	747	5%	1,151	2%	499
7	4%	774	3%	386	3%	770	5%	1,209	2%	509
8	4%	802	2%	394	2%	786	5%	1,270	2%	520
9	2%	819	2%	402	2%	802	5%	1,334	2%	531
10	2%	836	2%	411	2%	819	5%	1,401	2%	542
11	2%	853	2%	420	2%	836	5%	1,472	2%	553
12	2%	871	2%	429	2%	853	5%	1,546	2%	565

% of Clients Hosting with Iviewit		
Quarter	Quarterly Increase	% of Clients
1		25.00%
2	1%	26.00%
3	1%	27.00%
4	1%	28.00%
5	1%	29.00%
6	1%	30.00%
7	1%	31.00%
8	1%	32.00%
9	1%	33.00%
10	1%	34.00%
11	1%	35.00%
12	1%	36.00%

Archiving	
Archival Fee/GB Stored/Month (see table above - right)	\$15
% of all encoded content that is taken offline & discarded per quarter	10%
% of all encoded content that is taken offline & Archived per quarter	15%
% of content Archived Concurrent with Encoding	40%
size of an AVI file (per minute in GB)	0.125

Web Design & Consulting Assumptions	
% of New Clients using Design Services	20%
Average Web Design Setup Fee	\$12,000
Quarterly Maintenance Fee	\$1,500

iviewit Holdings, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 2
VIDEO REVENUE PROJECTIONS
FOR THE THREE YEAR PERIOD

Item	Video Revenue by Quarter											
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Source Video Minutes												
Music	210	466	1,033	2,283	4,458	8,147	13,225	18,333	21,521	24,261	26,679	29,225
Magazines	120	265	596	1,336	2,613	4,782	8,000	11,537	14,825	17,300	19,210	21,230
Studios	500	1,208	2,204	3,566	5,394	7,870	12,725	19,066	23,980	29,376	35,066	41,081
Sports	360	869	2,109	4,462	8,494	14,932	24,859	39,421	52,557	64,974	73,432	82,790
All Others	360	794	1,774	3,706	6,863	11,558	17,973	25,013	28,823	31,688	34,407	37,678
Total Source Video Minutes/Qtr.	1,550	3,602	7,717	15,354	27,821	47,288	76,781	113,370	141,706	167,600	188,794	212,004
Total Encoded Minutes (4 formats)	6,200	14,406	30,866	61,415	111,285	189,152	307,125	453,482	566,824	670,400	755,175	848,015
Total GB Encoded/Qtr.	20.85	48.44	103.79	206.51	374.20	636.02	1,032.71	1,524.83	1,905.95	2,254.22	2,539.28	2,851.45
Cumulative GB Encoded	20.85	69.29	173.08	379.58	753.78	1,389.80	2,422.51	3,947.34	5,853.29	8,107.51	10,646.79	13,498.24
Cumulative Source Minutes Online after Attrition	1,550	4,764	11,290	23,821	45,687	81,553	137,946	216,830	304,329	395,846	485,679	576,263
Cumulative GB Online after Attrition	20.85	64.08	151.84	320.39	614.49	1,096.89	1,855.38	2,916.36	4,093.22	5,324.13	6,532.38	7,750.73
Archival												
Archival Concurrent w/Encoding (AVI/GB)	77.50	257.58	643.40	1,411.09	2,802.16	5,166.56	9,005.62	14,674.14	21,759.44	30,139.44	39,579.13	50,179.32
Attrition of initial Archival (AVI/GB)	0.00	(7.75)	(25.76)	(64.34)	(141.11)	(280.22)	(516.66)	(900.56)	(1,467.41)	(2,175.94)	(3,013.94)	(3,957.91)
Archival of Online Content moved offline that was not previously archived (encoded format/GB)	0.00	0.47	1.44	3.42	7.21	13.83	24.68	41.75	65.62	92.10	119.79	146.98
Total Cumulative Archival (GB)	77.50	250.29	619.09	1,350.16	2,668.26	4,900.17	8,513.64	13,815.32	20,357.65	28,055.60	36,684.98	46,368.38
GB Hosted by Iviewit	5.21	16.02	37.96	80.10	153.62	274.22	463.84	729.09	1,023.30	1,331.03	1,633.09	1,937.68
GB Hosted for Modem												
Music	0.10	0.30	0.74	1.73	3.57	6.85	11.58	17.09	22.53	27.93	33.46	38.73
Magazines	0.06	0.17	0.42	1.01	2.09	4.02	7.01	10.76	15.52	19.92	24.09	28.13
Studios	0.24	0.78	1.57	2.70	4.32	6.62	11.14	17.78	25.11	33.82	43.98	54.44
Sports	0.18	0.56	1.50	3.37	6.80	12.55	21.77	36.76	55.03	74.81	92.09	109.71
All Others	0.18	0.51	1.27	2.80	5.49	9.72	15.74	23.32	30.18	36.49	43.15	49.93
Total GB Hosted for Modem Files	0.76	2.32	5.50	11.61	22.27	39.76	67.25	105.70	148.36	192.98	236.77	280.93
GB Hosted for Broadband Files												
Music	0.60	1.77	4.34	10.18	21.05	40.39	68.31	100.81	132.88	164.74	197.32	228.39
Magazines	0.35	1.01	2.51	5.96	12.34	23.71	41.32	63.44	91.54	117.48	142.08	165.90
Studios	1.44	4.59	9.27	15.91	25.46	43.32	65.73	104.84	148.06	199.47	259.35	321.03
Sports	1.04	3.31	8.87	19.90	40.10	74.04	128.40	216.77	324.51	441.19	543.11	646.99
All Others	1.04	3.02	7.46	16.53	32.40	57.31	92.83	137.54	177.96	215.18	254.47	294.44
Total GB Hosted for Broadband Files	4.46	13.70	32.46	68.48	131.35	234.47	396.60	623.39	874.94	1,138.06	1,396.33	1,656.76
GB Served via Modem	129.40	411.70	1,012.38	2,191.56	4,294.41	7,830.99	13,564.86	22,069.34	31,952.68	42,785.89	53,427.02	64,463.22
GB Served via Broadband	190.79	664.99	1,783.39	4,194.07	8,898.33	17,517.60	32,675.19	57,117.29	88,677.13	127,112.11	169,659.77	218,521.61
Total GB Served	320.19	1,076.69	2,795.77	6,385.62	13,192.74	25,348.60	46,240.05	79,186.62	120,629.81	169,898.00	223,086.79	282,984.83
# of Playbacks per video												
Music	600	630	662	696	721	747	774	802	819	836	853	871
Magazines	300	315	331	348	361	374	386	394	402	411	420	429
Studios	600	630	662	696	721	747	770	786	802	819	836	853
Sports	900	945	993	1,043	1,096	1,151	1,209	1,270	1,334	1,401	1,472	1,546
All Others	450	459	469	479	489	499	509	520	531	542	553	565
Total Playbacks	2,850	2,979	3,117	3,262	3,388	3,518	3,648	3,772	3,888	4,009	4,134	4,264
Encoding	\$31,000	\$72,030	\$154,331	\$307,074	\$556,427	\$945,761	\$1,535,624	\$2,267,409	\$2,834,121	\$3,352,000	\$3,775,874	\$4,240,075
Archival	3,488	11,038	26,756	57,184	110,750	199,321	339,379	539,705	779,379	1,052,608	1,348,843	1,670,788
Hosting	782	2,355	5,469	11,308	21,254	37,181	61,634	94,941	130,589	166,462	200,154	232,735
Serving	9,606	31,655	80,552	180,303	365,057	687,394	1,228,842	2,062,318	3,078,822	4,249,562	5,468,345	6,797,345
Master Licensing	112,500	112,500	225,000	225,000	646,875	759,375	1,068,750	956,250	1,096,875	956,250	1,012,500	928,125
Web Design & Consulting	14,400	16,200	30,000	52,500	77,400	109,500	144,600	149,100	126,000	112,800	106,500	113,100
Total Revenues	\$157,375	\$229,578	\$492,107	\$780,870	\$1,700,364	\$2,629,032	\$4,234,329	\$5,920,623	\$7,919,785	\$9,776,882	\$11,805,715	\$13,869,587
Encoding				Year 1	Year 2	Year 3						
Archival				\$564,435	\$5,305,221	\$14,202,070						
Hosting				98,465	1,189,155	4,851,618						
Serving				19,913	215,011	729,939						
Master Licensing				302,115	4,343,611	19,594,573						
Web Design & Consulting				675,000	3,431,250	3,983,750						
Total Revenues by Year				\$1,659,929	\$14,484,248	\$43,371,950						

iviewit Holdings, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 3
Imaging Assumptions
FOR THE THREE YEAR PERIOD

Basic Assumptions	
Image Processing (except Hotels & Resorts - see below)	\$3
Hotel & Resort (per Property)	\$7,800
Monthly Hosting & Serving for Hotel & Resort	\$149
% of Full-Service Clients Hosting Images	100%
Image Hosting/GB/Month (see table below)	\$50
Image Serving/GB Delivered (see table below)	\$30
One-Time Setup Fee (Average)	\$1,500
Image License for Full-Service - Avg. (charged quarterly)	\$500
First Year Image Master License Fee (IML)	\$112,500
Renewal Image Master License Fee (IML)	\$84,375
# of IML clients expressed as a % of Full-Service Clients	see table

Format	File Size (GB)
Small Image Average Size (100KB)	0.0001
Broadband Average Image Size (400KB)	0.0004
Hotel & Resort Package (Small Image 1.2MB)	0.0012
Hotel & Resort Package (Large Image 5.6MB)	0.0056

Web Design & Consulting Assumptions	
% of New Full-Service Clients using this Service	20%
Average Web Design Setup Fee	\$12,000
Quarterly Maintenance Fee	\$1,500

Archiving	
Archival Fee/GB Stored/Month (see table below)	\$15
% of all encoded content that is taken offline & discarded per quarter	5%
% of all encoded content that is taken offline & Archived per quarter	10%
% of content Archived Concurrent with Encoding	40%
size of an uncompressed image (GB)	0.008

Quarter	Collectibles/Auctions		Magazines		Retail		Healthcare B2B Education		Modeling & Casting		All Others		Hotels & Resorts		Total IML Clients	New IML Clients by Quarter	Total Client Accounts	Renewal IML Clients	
	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts	Growth Factor	# of Client Accounts					
1		1		1		1		1		1		1		1		1		8	0
2	100.00%	2	100.00%	2	100.00%	2	100.00%	2	100.00%	2	100.00%	2	200.00%	3	2	1	1	17	0
3	75.00%	4	75.00%	4	75.00%	4	75.00%	4	75.00%	4	75.00%	4	75.00%	6	4	2	4	34	0
4	50.00%	6	75.00%	7	75.00%	7	75.00%	7	50.00%	6	75.00%	7	75.00%	11	7	3	58	0	
5	40.00%	9	50.00%	11	50.00%	11	50.00%	11	25.00%	8	60.00%	12	75.00%	20	12	5	94	1	
6	30.00%	12	40.00%	16	40.00%	16	40.00%	16	25.00%	10	40.00%	17	50.00%	30	18	6	135	1	
7	20.00%	15	30.00%	21	30.00%	21	30.00%	21	15.00%	12	25.00%	22	40.00%	42	24	6	178	2	
8	15.00%	18	20.00%	26	20.00%	26	20.00%	26	10.00%	14	25.00%	28	30.00%	55	30	6	223	3	
9	10.00%	20	15.00%	30	10.00%	29	10.00%	29	10.00%	16	10.00%	31	20.00%	66	36	6	257	5	
10	7.50%	22	10.00%	33	7.50%	32	7.50%	32	7.50%	18	7.50%	34	10.00%	73	41	5	285	6	
11	5.00%	24	7.50%	36	5.00%	34	5.00%	34	5.00%	19	5.00%	36	5.00%	77	45	4	305	6	
12	5.00%	26	5.00%	38	5.00%	36	5.00%	36	5.00%	20	5.00%	38	5.00%	81	48	3	323	6	

Quarter	Collectibles/Auctions		Magazines		Retail		Healthcare B2B Education		Modeling & Casting		All Others		Hotels & Resorts	
	Growth Factor	# of Source Images	Growth Factor	# of Source Images	Growth Factor	# of Source Images	Growth Factor	# of Source Images	Growth Factor	# of Source Images	Growth Factor	# of Source Images	Growth Factor	# of Source Images
1		6,000		400		300		5,000		700		400	n/a	n/a
2	5.00%	6,300	5.00%	420	5.00%	315	5.00%	5,250	5.00%	735	5.00%	420	n/a	n/a
3	5.00%	6,615	5.00%	441	5.00%	331	5.00%	5,513	5.00%	772	5.00%	441	n/a	n/a
4	5.00%	6,946	5.00%	464	5.00%	348	5.00%	5,789	5.00%	811	5.00%	464	n/a	n/a
5	5.00%	7,294	5.00%	488	5.00%	366	5.00%	6,079	5.00%	852	5.00%	488	n/a	n/a
6	3.00%	7,513	3.00%	503	3.00%	377	3.00%	6,262	3.00%	878	3.00%	503	n/a	n/a
7	3.00%	7,739	3.00%	519	3.00%	389	3.00%	6,450	3.00%	905	3.00%	519	n/a	n/a
8	2.00%	7,894	2.00%	530	2.00%	397	2.00%	6,579	2.00%	924	2.00%	530	n/a	n/a
9	2.00%	8,052	2.00%	541	2.00%	405	2.00%	6,711	2.00%	943	2.00%	541	n/a	n/a
10	2.00%	8,214	2.00%	552	2.00%	414	2.00%	6,846	2.00%	962	2.00%	552	n/a	n/a
11	1.00%	8,297	1.00%	558	1.00%	419	1.00%	6,915	1.00%	972	1.00%	558	n/a	n/a
12	1.00%	8,380	1.00%	564	1.00%	424	1.00%	6,985	1.00%	982	1.00%	564	n/a	n/a

iviewit Holdings, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 3
Imaging Assumptions
FOR THE THREE YEAR PERIOD

Quarter	Average Number of Hits per Image													
	Collectibles/Auctions		Magazines		Retail		Healthcare B2B Education		Modeling & Casting		All Others		Hotels & Resorts	
	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image	Growth Factor	Avg. # of Hits per Image
1		150		300		300		90		120		150		100
2	5.00%	158	5.00%	315	5.00%	315	5.00%	95	5.00%	126	5.00%	158	5.00%	105
3	5.00%	166	5.00%	331	5.00%	331	5.00%	100	5.00%	133	5.00%	166	5.00%	111
4	5.00%	175	5.00%	348	5.00%	348	5.00%	105	5.00%	140	5.00%	175	5.00%	117
5	3.50%	182	3.50%	361	3.50%	361	3.50%	109	3.50%	145	3.50%	182	3.50%	122
6	3.50%	189	3.50%	374	3.50%	374	3.50%	113	3.50%	151	3.50%	189	3.50%	127
7	3.50%	196	3.50%	388	3.50%	388	3.50%	117	3.50%	157	3.50%	196	3.50%	132

8	3.00%	202	3.00%	400	3.00%	400	3.00%	121	3.00%	162	3.00%	202	3.00%	136
9	2.00%	207	2.00%	408	2.00%	408	2.00%	124	2.00%	166	2.00%	207	2.00%	139
10	2.00%	212	2.00%	417	2.00%	417	2.00%	127	2.00%	170	2.00%	212	2.00%	142
11	1.00%	215	1.00%	422	1.00%	422	1.00%	129	1.00%	172	1.00%	215	1.00%	144
12	1.00%	218	1.00%	427	1.00%	427	1.00%	131	1.00%	174	1.00%	218	1.00%	146

<i>Broadband vs. Modem Service Ratio</i>		
Quarter	<i>Modem Size</i>	<i>Broadband Size</i>
	Percentage of Total Served	Percentage of Total Served
1	80.00%	20.00%
2	78.50%	21.50%
3	77.00%	23.00%
4	75.50%	24.50%
5	74.00%	26.00%
6	72.50%	27.50%
7	71.00%	29.00%
8	69.50%	30.50%
9	68.00%	32.00%
10	66.50%	33.50%
11	65.00%	35.00%
12	63.50%	36.50%

<i>Hosting, Service & Archiving Charges</i>				
Quarter	<i>Quarterly Discount</i>	<i>Hosting Charge</i>	<i>Serving Charge</i>	<i>Archiving Charge</i>
1		\$50.00	\$30.00	\$15.00
2	2.00%	\$49.00	\$29.40	\$14.70
3	2.00%	\$48.02	\$28.81	\$14.41
4	2.00%	\$47.06	\$28.24	\$14.12
5	2.00%	\$46.12	\$27.67	\$13.84
6	2.00%	\$45.20	\$27.12	\$13.56
7	2.00%	\$44.29	\$26.58	\$13.29
8	2.00%	\$43.41	\$26.04	\$13.02
9	2.00%	\$42.54	\$25.52	\$12.76
10	2.00%	\$41.69	\$25.01	\$12.51
11	2.00%	\$40.85	\$24.51	\$12.26
12	2.00%	\$40.04	\$24.02	\$12.01

<i># of IML clients expressed as a % of Full-Service Clients</i>	
Quarter	% of Clients
1	10.00%
2	10.00%
3	10.00%
4	10.00%
5	15.00%
6	15.00%
7	15.00%
8	15.00%
9	20.00%
10	20.00%
11	20.00%
12	20.00%

iviewit Holdings, Inc.
SIGNIFICANT REVENUE ASSUMPTIONS - EXHIBIT 4
IMAGING REVENUE PROJECTIONS
FOR THE THREE YEAR PERIOD

Imaging Revenue by Quarter												
Item	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Total Full-Service Clients	6	12	24	40	62	87	112	138	155	171	183	194
Total Hotel & Resort Clients	1	3	6	11	20	30	42	55	66	73	77	81
Total Master License Clients	1	2	4	7	12	18	24	30	36	41	45	48
Total Clients	8	17	34	58	94	135	178	223	257	285	305	323
# of new Source Images/Qtr.												
Collectibles/Auctions	6,000	12,600	26,460	41,676	65,646	90,156	116,085	142,092	161,040	180,708	199,128	217,880
Magazines	400	840	1,764	3,248	5,368	8,048	10,899	13,780	16,230	18,216	20,088	21,432
Retail	300	630	1,324	2,436	4,026	6,032	8,169	10,322	11,745	13,248	14,246	15,264
Healthcare B2B Education	5,000	10,500	22,052	40,523	66,869	100,192	135,450	171,054	194,619	219,072	235,110	251,460
Modeling	700	1,470	3,088	4,866	6,816	8,780	10,860	12,936	15,088	17,316	18,468	19,640
All Others	400	840	1,764	3,248	5,856	8,551	11,418	14,840	16,771	18,768	20,088	21,432
Total # of New Source Images/Qtr.	12,800	26,880	56,452	95,997	154,581	221,759	292,881	365,024	415,493	467,328	507,128	547,108
Cumulative GBs Encoded	6.40	19.84	48.07	96.06	173.36	284.23	430.68	613.19	820.93	1,054.60	1,308.16	1,581.72
Cumulative GBs Online after Attribution	6.40	18.88	45.09	88.85	158.95	258.23	388.04	548.59	728.96	931.46	1,149.97	1,385.49
Archival (cumulative)												
Archival Concurrent w/Encoding GB	40.96	126.98	307.62	614.81	1,109.47	1,819.10	2,756.32	3,924.40	5,253.97	6,749.42	8,372.23	10,122.98
Attribution of Initial Archival (GB)	0.00	(2.05)	(6.35)	(15.38)	(30.74)	(55.47)	(90.96)	(137.82)	(196.22)	(262.70)	(337.47)	(418.61)
Archival of Online Content moved offline that was not previously archived (encoded format/GB)	0.00	0.38	1.13	2.71	5.33	9.54	15.49	23.28	32.92	43.74	55.89	69.00
Total Cumulative Archival (GB)	40.96	125.31	302.41	602.14	1,084.06	1,773.16	2,680.86	3,809.86	5,090.67	6,530.46	8,090.65	9,773.37
GBs Hosted by iviewit	6.40	18.88	45.09	88.85	158.95	258.23	388.04	548.59	728.96	931.46	1,149.97	1,385.49
GB Hosted for Modem Files												
Collectibles/Auctions	0.60	1.77	4.23	7.72	13.50	21.00	30.76	42.71	56.51	72.04	90.31	110.35
Magazines	0.04	0.12	0.28	0.60	1.10	1.87	2.89	4.14	5.69	7.26	9.11	10.85
Retail	0.03	0.09	0.21	0.45	0.83	1.40	2.16	3.10	4.12	5.28	6.46	7.73
Healthcare B2B Education	0.50	1.48	3.52	7.50	13.75	23.33	35.89	51.41	68.29	87.33	106.63	127.36
Modeling	0.07	0.21	0.49	0.90	1.40	2.04	2.88	3.89	5.29	6.90	8.38	9.95
All Others	0.04	0.12	0.28	0.60	1.20	1.99	3.03	4.46	5.88	7.48	9.11	10.85
Total GB Hosted for Modem Files	1.28	3.78	9.02	17.77	31.79	51.65	77.61	109.72	145.79	186.29	229.99	277.10
GB Hosted for Broadband Files												
Collectibles/Auctions	2.40	7.08	16.91	30.86	54.00	83.99	123.04	170.84	226.03	288.14	361.24	441.41
Magazines	0.16	0.47	1.13	2.41	4.42	7.50	11.55	16.57	22.78	29.05	36.44	43.42
Retail	0.12	0.35	0.85	1.80	3.31	5.62	8.66	12.41	16.48	21.12	25.84	30.92
Healthcare B2B Education	2.00	5.90	14.09	30.01	55.01	93.34	143.57	205.66	273.16	349.32	426.51	509.44
Modeling	0.28	0.83	1.97	3.60	5.61	8.18	11.51	15.55	21.18	27.61	33.50	39.79
All Others	0.16	0.47	1.13	2.41	4.82	7.97	12.10	17.84	23.54	29.93	36.44	43.42
Total GB Hosted for Broadband Files	5.12	15.10	36.07	71.08	127.16	206.59	310.43	438.87	583.16	745.17	919.98	1,108.39
GB Served via Modem	136.32	415.65	1,023.79	2,065.16	3,756.02	6,174.60	9,395.85	13,397.62	17,861.36	22,844.18	28,042.23	33,511.44
GB Served via Broadband	136.32	455.37	1,223.23	2,680.60	5,278.72	9,368.36	15,350.97	23,518.13	33,621.39	46,031.87	60,398.65	77,049.93
Total GB Served	272.64	871.02	2,247.03	4,745.75	9,034.74	15,542.96	24,746.83	36,915.76	51,482.76	68,876.05	88,440.88	110,561.37
# of Times Ea. Image is Displayed												
Collectibles/Auctions	150	158	166	175	182	189	196	202	207	212	215	218
Magazines	300	315	331	348	361	374	388	400	408	417	422	427
Retail	300	315	331	348	361	374	388	400	408	417	422	427
Healthcare B2B Education	90	95	100	105	109	113	117	121	124	127	129	131
Modeling	120	126	133	140	145	151	157	162	166	170	172	174
All Others	150	158	166	175	182	189	196	202	207	212	215	218
Annual License Fee Revenue	50	53,000	56,000	512,000	520,000	531,000	543,500	556,000	569,000	577,500	585,500	591,500
Full-Service Clients Setup Fee Revenue	9,000	9,000	18,000	24,000	33,000	37,500	37,500	39,000	25,500	24,000	18,000	16,500
Hotel & Resort Packages Revenue	7,800	15,600	23,400	39,000	70,200	78,000	93,600	101,400	85,800	54,600	31,200	31,200
Image Processing Revenue	38,400	80,640	169,356	287,991	463,743	665,277	878,643	1,095,072	1,246,479	1,401,984	1,521,384	1,641,324
Master License Revenue	112,500	112,500	225,000	337,500	646,875	759,375	843,750	928,125	1,096,875	1,068,750	956,250	843,750
Hosting Revenue	960	2,775	6,496	12,544	21,991	35,013	51,561	71,436	93,025	116,490	140,942	166,411
Serving Revenue	8,179	25,608	64,741	134,000	250,001	421,488	657,654	961,425	1,313,989	1,722,758	2,167,879	2,655,899
Hosting & Serving Revenue for Hotels & Resorts	447	1,341	2,682	4,917	8,940	13,410	18,774	24,585	29,502	32,631	34,419	36,207
Archival	1,843	5,526	13,069	25,503	44,996	72,126	106,867	148,835	194,893	245,014	297,479	352,163
Web Design & Consulting	16,800	21,300	40,500	59,400	89,700	108,600	123,900	139,800	125,100	121,500	111,600	114,000
Total Revenue	\$195,929	\$277,291	\$569,344	\$936,855	\$1,649,445	\$2,221,789	\$2,855,749	\$3,565,678	\$4,280,163	\$4,865,227	\$5,164,651	\$5,948,953
Annual License Fee Revenue				Year 1	Year 2	Year 3						
Setup Fee Revenue				\$21,000	\$150,500	\$323,500						
Hotel & Resort Packages Revenue				60,000	147,000	84,000						
Image Processing Revenue				85,800	343,200	202,800						
Master License Revenue				\$76,387	3,102,735	5,811,171						
Hosting Revenue				787,500	3,178,125	3,965,625						
Serving Revenue				22,775	180,002	516,868						
Hosting & Serving Revenue for Hotels & Resorts				232,529	2,290,568	7,880,524						
Archival				9,387	65,709	132,759						
Web Design & Consulting				45,942	372,823	1,089,549						
Total Revenues by Year				138,000	462,000	472,200						
				\$1,979,320	\$10,292,662	\$20,458,996						

iviewit Holdings, Inc.
**PROJECTED TOTAL REVENUE
FOR THE THREE YEAR PERIOD**

	Total Revenue by Quarter												3 Year Totals
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	
Video													
Encoding	\$31,000	\$72,030	\$154,331	\$307,074	\$556,427	\$945,761	\$1,535,624	\$2,267,409	\$2,834,121	\$3,352,000	\$3,775,874	\$4,240,075	\$20,071,726
Archival	3,488	11,038	26,756	57,184	110,750	199,321	339,379	539,705	779,379	1,052,608	1,348,843	1,670,788	\$6,139,238
Hosting	782	2,355	5,469	11,308	21,254	37,181	61,634	94,941	130,589	166,462	200,154	232,735	\$964,863
Serving	9,606	31,655	80,552	180,303	365,057	687,394	1,228,842	2,062,318	3,078,822	4,249,562	5,468,345	6,797,845	\$24,240,299
Master Licensing	112,500	112,500	225,000	225,000	646,875	759,375	1,068,750	956,250	1,096,875	956,250	1,012,500	928,125	\$8,100,000
Web Design & Consulting	14,400	16,200	30,000	52,500	77,400	109,500	144,600	149,100	126,000	112,800	106,500	113,100	\$1,052,100
Video Total by Quarter	\$157,375	\$229,578	\$492,107	\$780,870	\$1,700,364	\$2,629,032	\$4,234,229	\$5,920,623	\$7,919,785	\$9,776,882	\$11,805,715	\$13,869,567	\$59,516,126
Video Total by Year				\$1,659,929			\$14,484,248				\$43,371,950		\$59,516,126
Imaging													
Annual License Fee Revenue	50	\$3,000	\$6,000	\$12,000	\$20,000	\$31,000	\$43,500	\$56,000	\$69,000	\$77,500	\$85,500	\$91,500	\$495,000
Setup Fee Revenue	9,000	9,000	18,000	24,000	33,000	37,500	37,500	39,000	25,500	24,000	18,000	16,500	\$291,000
Hotel & Resort Packages Revenue	7,800	15,600	23,400	39,000	70,200	78,000	93,600	101,400	85,800	54,600	31,200	31,200	\$631,800
Image Processing Revenue	38,400	80,640	169,356	287,991	463,743	665,277	878,643	1,095,072	1,246,479	1,401,984	1,521,384	1,641,324	\$9,490,293
Master License Revenue	112,500	112,500	225,000	337,500	646,875	759,375	843,750	928,125	1,096,875	1,068,750	956,250	843,750	\$7,931,250
Hosting Revenue	960	2,775	6,496	12,544	21,991	35,013	51,561	71,436	93,025	116,490	140,942	166,411	\$719,645
Serving Revenue	8,179	25,608	64,741	134,000	250,001	421,488	657,654	961,425	1,313,989	1,722,758	2,167,879	2,655,899	\$10,383,621
Hosting & Serving Revenue for Hotels & Resorts	447	1,341	2,682	4,917	8,940	13,410	18,774	24,585	29,502	32,631	34,419	36,207	\$207,855
Archival	1,843	5,526	13,069	25,503	44,996	72,126	106,867	148,835	194,893	245,014	297,479	352,163	\$1,508,314
Web Design & Consulting	16,800	21,300	40,500	59,400	89,700	108,600	123,900	139,800	125,100	121,500	111,600	114,000	\$1,072,200
Imaging Total by Quarter	\$195,929	\$277,291	\$569,244	\$936,855	\$1,649,445	\$2,221,789	\$2,855,749	\$3,565,678	\$4,280,163	\$4,865,227	\$5,364,653	\$5,948,953	\$32,730,977
Imaging Total by Year				\$1,979,320			\$10,292,662				\$20,458,996		\$32,730,977
Grand Total by Quarter	\$353,304	\$506,868	\$1,061,351	\$1,717,725	\$3,349,809	\$4,850,821	\$7,089,977	\$9,486,301	\$12,199,948	\$14,642,109	\$17,170,368	\$19,818,520	\$92,247,104
Grand Total by Year				\$3,639,248			\$24,776,909				\$63,830,946		\$92,247,104

GBs Hosted for Video		5.21	16.02	37.96	80.10	153.62	274.22	463.84	729.09	1,023.30	1,331.03	1,633.09	1,937.68		
GBs Hosted for Imaging		6.40	18.88	45.09	88.85	158.95	258.23	388.04	548.59	728.96	931.46	1,149.97	1,385.49		
Total GBs Hosted		11.61	34.90	83.05	168.95	312.57	532.45	851.88	1,277.68	1,752.26	2,262.49	2,783.07	3,323.17		
GBs Archived for Video		77.50	250.29	619.09	1,350.16	2,668.26	4,900.17	8,513.64	13,815.32	20,357.65	28,055.60	36,684.98	46,368.38		
GBs Archived for Imaging		40.96	125.31	302.41	602.14	1,084.06	1,773.16	2,680.86	3,809.86	5,090.67	6,530.46	8,090.65	9,773.37		
Total GBs Archived		118.46	375.61	921.49	1,952.30	3,752.32	6,673.33	11,194.50	17,625.19	25,448.32	34,586.06	44,775.63	56,141.75		
GBs Served for Video		320.19	1,076.69	2,795.77	6,385.62	13,192.74	25,348.60	46,240.05	79,186.62	120,629.81	169,898.00	223,086.79	282,984.83		
GBs Served for Imaging		272.64	871.02	2,247.03	4,745.75	9,034.74	15,542.96	24,746.83	36,915.76	51,482.76	68,876.05	88,440.88	110,561.37		
Total GBs Served		592.83	1,947.71	5,042.80	11,131.38	22,227.48	40,891.56	70,986.88	116,102.38	172,112.57	238,774.05	311,527.67	393,546.20		
Storage/Hosting Cost (\$25,000/100GB)	\$25,000	\$25,000	\$0	\$0	\$25,000	\$50,000	\$50,000	\$75,000	\$100,000	\$125,000	\$125,000	\$125,000	\$150,000	\$850,000	
Caching Server Expense	100,000	100,000	0	0	0	0	100,000	0	100,000	100,000	100,000	100,000	100,000	700,000	
Storage/Archiving Cost (\$125,000/Terabyte)	125,000	14,808	32,143	68,236	128,851	225,002	365,127	565,146	803,836	977,891	1,142,218	1,273,696	1,420,765	\$7,017,718	
Server Expense	5,000	5,000	0	5,000	10,000	15,000	20,000	35,000	40,000	50,000	50,000	50,000	55,000	335,000	
Other Hardware	30%	30,000	0	0	0	0	30,000	0	30,000	30,000	30,000	30,000	30,000	210,000	
Bandwidth Costs															
Associated w/Serving	20,000	4%	60,000	57,600	55,296	106,168	152,882	244,612	375,724	495,955	692,534	-831,041	997,249	1,148,831	5,217,892
RealServer License Fees	11,737		23,474	0	0	23,474	26,878	46,948	70,422	62,089	119,248	95,774	114,318	117,722	700,347
Furniture & Fixtures	750		3,000	4,500	3,750	3,750	5,250	7,500	9,000	9,750	2,250	5,250	5,250	5,250	64,500
Total Production Expense		261,282	94,243	132,282	297,243	475,012	864,187	1,130,292	1,641,630	2,096,923	2,379,282	2,695,513	3,027,568	15,095,457	
less: Fixed Assets		(177,808)	(36,643)	(76,986)	(167,601)	(295,252)	(572,627)	(684,146)	(1,083,586)	(1,285,141)	(1,452,468)	(1,583,946)	(1,761,015)	(9,177,218)	
add: Depreciation		37,753	37,753	37,753	37,753	256,337	256,337	256,337	256,337	762,618	762,618	762,618	762,618	4,226,835	
Adjusted Total		\$121,227	\$95,353	\$93,049	\$167,395	\$436,097	\$547,897	\$702,483	\$814,381	\$1,574,400	\$1,689,433	\$1,874,186	\$2,029,171	\$10,145,074	
Network Support (Allocated)															
Internal Network Support	30%	\$11,250	\$11,250	\$11,250	\$11,250	\$11,813	\$11,813	\$11,813	\$11,813	\$12,403	\$12,403	\$12,403	\$12,403	\$141,863	
Data Manager	25%	4,688	9,375	14,063	14,063	14,297	14,531	14,766	14,766	15,012	15,258	15,504	15,504	161,824	
Network Manager	50%	9,000	9,000	18,000	18,000	18,450	18,450	18,900	18,900	19,373	19,373	19,845	19,845	207,135	
Programmer Java	50%	11,875	11,875	11,875	11,875	12,469	12,469	12,469	12,469	13,092	13,092	13,092	13,092	149,744	
Internal Routers, Servers, Workstations		65,000	49,000	5,000	49,000	30,000	69,000	15,000	10,000	70,000	10,000	10,000	5,000	387,000	
Internal Bandwidth (2 T1 Lines/Location)	4,800	4,800	9,600	9,600	14,400	14,400	19,200	19,200	19,200	19,200	19,200	19,200	19,200	187,200	
Total		106,613	100,100	69,788	118,588	101,428	145,463	92,147	87,147	149,080	89,326	90,044	85,044	1,234,765	
less: Fixed Assets		(65,000)	(49,000)	(5,000)	(49,000)	(30,000)	(69,000)	(15,000)	(10,000)	(70,000)	(10,000)	(10,000)	(5,000)	(387,000)	
Total		\$41,613	\$51,100	\$64,788	\$69,588	\$71,428	\$76,463	\$77,147	\$77,147	\$79,080	\$79,326	\$80,044	\$80,044	\$847,765	
Marketing Allocation	65%	\$27,048	\$33,215	\$42,112	\$45,232	\$46,428	\$49,701	\$50,145	\$50,145	\$51,402	\$51,562	\$52,029	\$52,029	\$551,048	
Corporate Allocation	25%	10,403	12,775	16,197	17,397	17,857	19,116	19,287	19,287	19,770	19,831	20,011	20,011	211,941	
R&D Allocation	10%	4,161	5,110	6,479	6,959	7,143	7,646	7,715	7,715	7,908	7,933	8,004	8,004	84,777	
Total		\$41,613	\$51,100	\$64,788	\$69,588	\$71,428	\$76,463	\$77,147	\$77,147	\$79,080	\$79,326	\$80,044	\$80,044	\$847,765	

Ivewit Holdings, Inc.
PROJECTED CORPORATE AND RESEARCH AND DEVELOPMENT EXPENSE
FOR THE THREE YEAR PERIOD

Corporate Cost Structure

Number of Employees by Quarter

Function	Base Assumption	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Chief Executive Officer	\$275,000	1	1	1	1	1	1	1	1	1	1	1	1
President	175,000	1	1	1	1	1	1	1	1	1	1	1	1
Founder & Sr. VP	225,000	1	1	1	1	1	1	1	1	1	1	1	1
Office Manager	50,000	1	1	1	1	1	1	1	1	1	1	1	1
Secretarial Support	35,000	2	2	2	3	3	3	3	3	3	3	3	3
Chief Financial Officer	125,000	1	1	1	1	1	1	1	1	1	1	1	1
Controller	80,000	1	1	1	1	1	1	1	1	1	1	1	1
Accountant	38,000	1	1	1	2	2	2	2	2	2	2	2	2
In House Counsel	125,000	1	1	1	1	1	1	1	1	1	1	1	1
Legal Support	70,000				1	1	1	1	1	1	1	1	1
CTO	125,000	1	1	1	1	1	1	1	1	1	1	1	1
Assistant	37,000	1	1	1	1	1	1	1	1	1	1	1	1
Professional Development Staff	70,000		2	2	3	3	6	6	6	9	9	9	9
Software Developers	70,000					3	6	6	6	9	9	9	9
Technician	35,000	1	1	1	1	1	2	2	2	5	5	5	5
Total Corporate & R&D		13	15	15	19	22	29	29	29	38	38	38	38
Note: Cost of Living Adj	5%												
EE Benefits as % of Salary	25%												

Corporate Costs

														Totals
Chief Executive Officer	\$68,750	\$68,750	\$68,750	\$68,750	\$72,188	\$72,188	\$72,188	\$72,188	\$75,797	\$75,797	\$75,797	\$75,797	\$75,797	\$866,938
President	43,750	43,750	43,750	43,750	45,938	45,938	45,938	45,938	48,234	48,234	48,234	48,234	48,234	551,688
Founder & Sr. VP	56,250	56,250	56,250	56,250	59,063	59,063	59,063	59,063	62,016	62,016	62,016	62,016	62,016	709,313
Office Manager	12,500	12,500	12,500	12,500	13,125	13,125	13,125	13,125	13,781	13,781	13,781	13,781	13,781	157,625
Secretarial Support	17,500	17,500	17,500	26,250	27,125	27,125	27,125	27,563	28,481	28,481	28,481	28,941	28,941	302,072
Chief Financial Officer	31,250	31,250	31,250	31,250	32,813	32,813	32,813	32,813	34,453	34,453	34,453	34,453	34,453	394,063
Controller	20,000	20,000	20,000	20,000	21,000	21,000	21,000	21,000	22,050	22,050	22,050	22,050	22,050	252,200
Accountant	9,500	9,500	9,500	19,000	19,475	19,475	19,475	19,950	20,449	20,449	20,449	20,449	20,449	208,169
In House Counsel	31,250	31,250	31,250	31,250	32,813	32,813	32,813	32,813	34,453	34,453	34,453	34,453	34,453	394,063
Legal Support	0	0	0	17,500	17,500	17,500	17,500	18,375	18,375	18,375	18,375	18,375	18,375	162,794
Consultants	18,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	648,000
Outside Counsel	6,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	216,000
Allocated Costs for Occupancy, Utilities, Telephone & Insurance	19,530	22,496	22,548	24,738	24,977	26,856	27,203	27,582	28,079	28,533	29,030	29,575	29,575	311,148
Bad Debt Expense	4%	0	9,186	18,125	34,691	59,520	111,143	173,019	252,251	345,904	450,007	551,494	651,419	2,656,758
Furniture & Fixtures	5,000	20,000	0	0	15,000	0	0	0	0	0	0	0	0	35,000
Audit Fees	0	0	0	65,000	0	0	0	0	100,000	0	0	0	0	300,000
Investment Banking Fees	1,200,000													1,200,000
Travel & Entertainment	6,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	648,000
Recruiting Retainer	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Network Support	10,403	12,775	16,197	17,397	17,857	19,116	19,287	19,287	19,770	19,831	20,011	20,011	20,011	211,941
Bonus Pool accrued on revenue	14,132	20,275	42,454	68,709	133,992	194,033	283,599	379,452	487,998	585,684	686,815	792,741	792,741	3,689,884
Employee Benefits	25%	74,988	75,281	76,137	85,074	88,824	88,881	89,328	93,265	93,280	93,325	93,325	93,325	1,041,016
Total	\$1,785,804	\$586,763	\$622,211	\$793,110	\$822,208	\$937,024	\$1,089,026	\$1,366,724	\$1,489,105	\$1,691,425	\$1,894,765	\$2,238,507	\$2,238,507	\$15,316,670
12 month Total				\$3,787,887				\$4,214,982						\$7,313,802

Ivewit Holdings, Inc.
PROJECTED CORPORATE AND RESEARCH AND DEVELOPMENT EXPENSE
FOR THE THREE YEAR PERIOD

R&D Cost

Function	Base Assumption	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Totals
CTO	\$31,250	\$31,250	\$31,250	\$31,250	\$32,813	\$32,813	\$32,813	\$32,813	\$34,453	\$34,453	\$34,453	\$34,453	\$34,453	\$394,063
Assistant	9,250	9,250	9,250	9,250	9,713	9,713	9,713	9,713	10,198	10,198	10,198	10,198	10,198	116,643
Professional Development Staff	0	35,000	35,000	52,500	52,500	106,750	106,750	107,625	160,125	164,588	164,588	165,506	165,506	1,150,931
Software Developers	0	0	0	0	52,500	105,000	105,000	105,000	160,125	162,750	162,750	162,750	162,750	1,015,875
Technician	8,750	8,750	8,750	8,750	9,188	17,938	17,938	17,938	44,647	45,084	45,084	45,084	45,084	277,900

Employee Benefits	25%	13,233	22,100	22,442	26,817	40,604	69,485	69,502	69,721	103,884	105,771	105,789	106,019	755,367
Allocated Costs for Occupancy, Utilities, Telephone & Insurance		5,580	5,630	5,685	5,745	5,832	5,903	5,982	6,068	6,184	6,286	6,399	6,522	71,816
Network Support		4,161	5,110	6,479	6,959	7,143	7,646	7,715	7,715	7,908	7,933	8,004	8,004	84,777
Furniture & Fixtures	5,000	10,000	10,000	0	5,000	15,000	35,000	0	0	45,000	0	0	0	120,000
Capital Expenditures	100,000	25,000	25,000	25,000	25,000	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	700,000
Expense Development Materials	25%	6,250	6,250	6,250	6,250	12,500	12,500	12,500	12,500	25,000	25,000	25,000	25,000	175,000
Travel & Entertainment	3,000	3,000	6,000	6,000	7,500	7,500	12,000	12,000	12,000	16,500	16,500	16,500	16,500	132,000
Intellectual Property Processing	20,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Travel and Conferences	2,000	0	2,000	2,000	4,000	6,000	12,000	12,000	12,000	18,000	18,000	18,000	18,000	122,000
Subcontract		8,222	8,987	6,862	7,314	10,075	15,932	13,433	12,607	19,084	16,983	16,199	15,546	151,245
Sub-Total		184,696	235,327	224,968	256,335	371,366	552,679	515,344	515,698	811,108	773,547	772,965	773,584	5,987,616
less: Furniture & Fixtures		(10,000)	(10,000)	0	(5,000)	(15,000)	(35,000)	0	0	(45,000)	0	0	0	(120,000)
less: Capital Expenditures		(25,000)	(25,000)	(25,000)	(25,000)	(50,000)	(50,000)	(50,000)	(50,000)	(100,000)	(100,000)	(100,000)	(100,000)	(700,000)
Total		\$149,696	\$200,327	\$199,968	\$226,335	\$306,366	\$467,679	\$465,344	\$465,698	\$666,108	\$673,547	\$672,965	\$673,584	\$5,167,616
12 month Total					\$776,326				\$1,705,086				\$2,686,204	

Occupancy, Utilities & Telephone (Allocated)														
Facility	Quarterly Increase													Totals
Boca Facility	0.00%	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$540,000
Occupancy		\$900	\$900	\$900	\$900	\$945	\$945	\$945	\$945	\$992	\$992	\$992	\$992	\$11,349
Property & Casualty Insurance		\$3,300	\$3,300	\$3,300	\$3,300	\$3,465	\$3,465	\$3,465	\$3,465	\$3,638	\$3,638	\$3,638	\$3,638	\$41,613
Directors & Officers Insurance		2,100	2,153	2,206	2,261	2,318	2,376	2,435	2,496	2,559	2,623	2,688	2,755	28,971
Utilities	2.50%	4,500	4,950	5,445	5,990	6,588	7,247	7,972	8,769	9,646	10,611	11,672	12,839	96,229
Telephone	10.00%	\$55,800	\$56,303	\$56,851	\$57,451	\$58,316	\$59,033	\$59,817	\$60,675	\$61,835	\$62,864	\$63,991	\$65,225	\$718,162
Total														
I.A. Facility	0.00%	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$495,000
Occupancy		\$900	\$900	\$900	\$900	\$945	\$945	\$945	\$945	\$992	\$992	\$992	\$992	\$10,449
Property & Casualty Insurance		2,100	2,153	2,206	2,261	2,318	2,376	2,435	2,496	2,559	2,623	2,688	2,755	26,215
Utilities	2.50%	4,500	4,950	5,445	5,990	6,588	7,247	7,972	8,769	9,646	10,611	11,672	12,839	83,390
Telephone	10.00%	\$55,800	\$53,003	\$53,551	\$54,196	\$54,851	\$55,568	\$56,352	\$57,258	\$58,197	\$59,226	\$60,352	\$61,555	\$615,055
Total														
NY Facility	0.00%				\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$283,500
Occupancy					\$630	\$662	\$662	\$662	\$662	\$695	\$695	\$695	\$695	\$6,054
Property & Casualty Insurance					1,470	1,507	1,544	1,583	1,623	1,663	1,705	1,747	1,791	14,633
Utilities	2.50%				3,150	3,465	3,812	4,193	4,612	5,073	5,580	6,138	6,752	42,775
Telephone	10.00%				\$39,060	\$37,133	\$37,517	\$37,937	\$38,396	\$38,931	\$39,480	\$40,080	\$40,738	\$346,963
Total														
II. Facility	0.00%					\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$189,000
Occupancy						\$567	\$567	\$567	\$567	\$595	\$595	\$595	\$595	\$4,082
Property & Casualty Insurance						1,260	1,292	1,324	1,357	1,391	1,426	1,461	1,461	9,510
Utilities	2.50%					2,700	2,970	3,267	3,594	3,953	4,348	4,783	4,783	25,615
Telephone	10.00%					\$31,527	\$31,829	\$32,158	\$32,546	\$32,939	\$33,369	\$33,840	\$33,840	\$228,208
Total														
Total of Allocable Expenses		\$55,800	\$112,103	\$109,854	\$150,062	\$149,646	\$182,929	\$185,151	\$187,582	\$190,570	\$193,480	\$196,666	\$200,155	\$1,908,387
Allocated To:														
Corporate		\$19,530	\$22,496	\$22,548	\$24,738	\$24,977	\$26,856	\$27,203	\$27,582	\$28,079	\$28,533	\$29,030	\$29,575	\$311,148
R&D		5,580	5,630	5,685	5,745	5,832	5,903	5,982	6,068	6,184	6,286	6,399	6,522	71,816
Production		13,950	39,186	38,064	56,038	55,677	70,511	71,355	72,277	73,389	74,493	75,702	77,025	717,666
Marketing		16,740	44,791	43,557	63,541	63,160	79,658	80,612	81,656	82,918	84,167	85,535	87,032	813,366
Total		\$55,800	\$112,103	\$109,854	\$150,062	\$149,646	\$182,929	\$185,151	\$187,582	\$190,570	\$193,480	\$196,666	\$200,155	\$1,913,997

iviewit Holdings, Inc.
PROJECTED MARKETING & SALES EXPENSE
FOR THE THREE YEAR PERIOD

Number of Employees by Quarter

Function	Base Assumption	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
VP of Marketing	\$150,000	1	1	1	1	1	1	1	1	1	1	1	1
VP of Sales	125,000	1	1	1	1	1	1	1	1	1	1	1	1
Sales Directors	75,000	4	6	7	8	10	12	14	16	18	20	21	22
Sales Associates	25,000	1	2	2	2	3	3	4	4	5	5	6	6
Media Executive	65,000	1	1	1	1	1	1	1	1	1	1	1	1
Total Mktg. & Sales		8	11	12	13	16	18	21	23	26	28	30	31

Marketing & Sales Expenses by Quarter

		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Total
VP of Marketing		\$37,500	\$37,500	\$37,500	\$37,500	\$39,375	\$39,375	\$39,375	\$39,375	\$41,344	\$41,344	\$41,344	\$41,344	\$472,875
VP of Sales		31,250	31,250	31,250	31,250	32,813	32,813	32,813	32,813	34,453	34,453	34,453	34,453	394,063
Sales Directors		75,000	112,500	131,250	150,000	191,250	230,625	269,063	307,500	350,813	392,156	413,766	435,375	3,059,297
Sales Associates		6,250	12,500	12,500	12,500	19,063	19,375	25,625	25,625	32,516	32,844	39,406	39,406	277,609
Media Executive		16,250	16,250	16,250	16,250	17,063	17,063	17,063	17,063	17,916	17,916	17,916	17,916	204,913
Employee Benefits	25%	47,545	59,244	66,155	70,843	84,158	94,118	105,401	115,010	128,991	139,449	146,608	152,011	1,209,531
Travel & Entertainment	6,000	90,000	126,000	144,000	162,000	198,000	234,000	270,000	306,000	342,000	378,000	396,000	414,000	3,060,000
Sales Commissions	15%	52,996	74,652	156,484	252,455	493,543	710,952	1,037,544	1,385,108	1,778,107	2,128,815	2,492,831	2,875,065	13,438,552
Meetings & Recognition	2%	7,066	10,137	21,227	34,354	66,996	97,016	141,800	189,726	243,999	292,842	343,407	396,370	1,844,942
Furniture & Fixtures	5,000	25,000	15,000	5,000	5,000	15,000	10,000	15,000	10,000	15,000	10,000	10,000	5,000	140,000
Brand Strategy Development		100,000	100,000	0	0	0	0	0	0	0	0	0	0	200,000
Collateral Materials		200,000	150,000	150,000	150,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	1,250,000
Public Relations	10,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Advertising & Trade Shows		597,500	597,500	597,500	597,500	397,500	397,500	397,500	397,500	397,500	397,500	397,500	397,500	5,570,000
Market Research	10,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Allocated Costs		16,740	44,791	43,557	63,541	63,160	79,658	80,612	81,656	82,918	84,167	85,535	87,032	813,366
Network Support		27,048	33,215	42,112	45,232	46,428	49,701	50,145	50,145	51,402	51,562	52,029	52,029	551,048
Total		\$1,390,144	\$1,480,539	\$1,514,785	\$1,688,425	\$1,799,348	\$2,147,194	\$2,616,939	\$3,092,520	\$3,651,956	\$4,136,047	\$4,605,795	\$5,082,501	\$33,206,195

iviewit Holdings, Inc.
PROJECTED FIXED ASSET AND DEPRECIATION SCHEDULE
FOR THE THREE YEAR PERIOD

TYPE OF EQUIPMENT	YEAR	LIFE	TOTAL COST	DEPRECIATION EXPENSE		
				YEAR 1	YEAR 2	YEAR 3
PRODUCTION LABOR CATEGORY						
CAPITAL EQUIPMENT	1	3	\$134,400	\$44,800	\$44,800	\$44,800
CAPITAL EQUIPMENT	2	3	655,200		218,400	218,400
CAPITAL EQUIPMENT	3	3	403,200			134,400
TO PRODUCTION LABOR			<u>\$1,192,800</u>	<u>\$44,800</u>	<u>\$263,200</u>	<u>\$397,600</u>
PRODUCTION REQUIREMENTS AND EXPENSE CATEGORY						
STORAGE/HOSTING	1	3	\$50,000	\$16,667	\$16,667	\$16,667
STORAGE/HOSTING	2	3	275,000		91,667	91,667
STORAGE/HOSTING	3	3	525,000			175,000
CACHING SERVER	1	3	100,000	33,333	33,333	33,333
CACHING SERVER	2	3	200,000		66,667	66,667
CACHING SERVER	3	3	400,000			133,333
STORAGE/ARCHIVING	1	3	244,038	81,346	81,346	81,346
STORAGE/ARCHIVING	2	3	1,959,111		653,037	653,037
STORAGE/ARCHIVING	3	3	4,814,570			1,604,857
SERVERS	1	3	20,000	6,667	6,667	6,667
SERVERS	2	3	110,000		36,667	36,667
SERVERS	3	3	205,000			68,333
OTHER HARDWARE	1	3	30,000	10,000	10,000	10,000
OTHER HARDWARE	2	3	60,000		20,000	20,000
OTHER HARDWARE	3	3	120,000			40,000
FURNITURE & FIXTURES	1	5	15,000	3,000	3,000	3,000
FURNITURE & FIXTURES	2	5	31,500		6,300	6,300
FURNITURE & FIXTURES	3	5	18,000			3,600
TO PRODUCTION REQUIREMENTS			<u>\$9,177,218</u>	<u>\$151,013</u>	<u>\$1,025,349</u>	<u>\$3,050,473</u>
SUB-TOTAL TO COST OF GOODS SOLD				<u>\$195,813</u>	<u>\$1,288,549</u>	<u>\$3,448,073</u>
NETWORK SUPPORT CATEGORY						
INTERNAL ROUTERS, SERVERS, WORKSTATIONS	1	3	\$168,000	\$56,000	\$56,000	\$56,000
INTERNAL ROUTERS, SERVERS, WORKSTATIONS	2	3	124,000		41,333	41,333
INTERNAL ROUTERS, SERVERS, WORKSTATIONS	3	3	95,000			31,667
			<u>\$387,000</u>	<u>\$56,000</u>	<u>\$97,333</u>	<u>\$129,000</u>
CORPORATE COST						
FURNITURE & FIXTURES	1	5	\$35,000	\$7,000	\$7,000	\$7,000
FURNITURE & FIXTURES	2	5	0		0	0
FURNITURE & FIXTURES	3	5	0			0
			<u>\$35,000</u>	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$7,000</u>
R & D COST						
FURNITURE & FIXTURES	1	5	\$25,000	\$5,000	\$5,000	\$5,000
FURNITURE & FIXTURES	2	5	50,000		10,000	10,000
FURNITURE & FIXTURES	3	5	45,000			9,000
CAPITAL EQUIPMENT	1	3	100,000	33,333	33,333	33,333
CAPITAL EQUIPMENT	2	3	200,000		66,667	66,667
CAPITAL EQUIPMENT	3	3	400,000			133,333
			<u>\$820,000</u>	<u>\$38,333</u>	<u>\$115,000</u>	<u>\$257,333</u>
SUB-TOTAL TO DEPRECIATION EXPENSE				<u>\$101,333</u>	<u>\$219,333</u>	<u>\$393,333</u>
TOTAL				<u>\$11,612,018</u>	<u>\$297,146</u>	<u>\$1,507,883</u>
TOTAL ACQUISITIONS OF FIXED ASSETS				YEAR 1	\$921,438	
				YEAR 2	\$3,664,811	
				YEAR 3	\$7,025,770	
TOTAL				<u>\$11,612,018</u>		

VIEWIT HOLDINGS, INC.
 ACCOUNTS RECEIVABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
MONTHLY SALES	\$112,174	\$117,474	\$123,657	\$160,931	\$168,534	\$177,404	\$336,979	\$352,899	\$371,473	\$545,378	\$571,143	\$601,204
CUMULATIVE MONTHLY SALES	\$112,174	\$229,648	\$353,304	\$514,235	\$682,769	\$860,172	\$1,197,152	\$1,550,051	\$1,921,524	\$2,466,901	\$3,038,045	\$3,639,248
COLLECTIONS												
1-30 DAYS (30%)		33,652	35,242	37,097	48,279	50,560	53,221	101,094	105,870	111,442	163,613	171,343
31-60 DAYS (40%)			44,870	46,989	49,463	64,372	67,413	70,962	134,792	141,160	148,589	218,151
61-90 DAYS (20%)				22,435	23,495	24,731	32,186	33,707	35,481	67,396	70,580	74,295
91-120 DAYS (6%)					6,730	7,048	7,419	9,656	10,112	10,644	20,219	21,174
TOTAL MONTHLY COLLECTIONS	\$0	\$33,652	\$80,112	\$106,521	\$127,967	\$146,712	\$160,240	\$215,418	\$286,254	\$330,642	\$403,001	\$484,963
CUMULATIVE MONTHLY COLLECTIONS	\$0	\$33,652	\$113,764	\$220,285	\$348,252	\$494,964	\$655,204	\$870,622	\$1,156,876	\$1,487,518	\$1,890,519	\$2,375,482
RESERVE FOR BAD DEBT (4%)					4,487	4,699	4,946	6,437	6,741	7,096	13,479	14,116
ACCOUNTS RECEIVABLE BALANCE	\$112,174	\$195,996	\$239,540	\$293,950	\$330,029	\$360,509	\$537,001	\$672,991	\$757,906	\$972,287	\$1,134,046	\$1,249,651
CHANGE IN ACCOUNTS RECEIVABLE	\$112,174	\$83,821	\$43,545	\$54,409	\$36,080	\$30,480	\$176,492	\$135,991	\$84,915	\$214,381	\$161,759	\$115,604

VIEWIT HOLDINGS, INC.
 ACCOUNTS RECEIVABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24
MONTHLY SALES	\$1,063,564	\$1,113,812	\$1,172,433	\$1,540,136	\$1,612,898	\$1,697,788	\$2,251,068	\$2,357,417	\$2,481,492	\$3,011,901	\$3,154,195	\$3,320,205
CUMULATIVE MONTHLY SALES	\$4,702,813	\$5,816,625	\$6,989,058	\$8,529,194	\$10,142,092	\$11,839,879	\$14,090,947	\$16,448,365	\$18,929,857	\$21,941,757	\$25,095,952	\$28,416,158
COLLECTIONS												
1-30 DAYS (30%)	180,361	319,069	334,143	351,730	462,041	483,869	509,336	675,320	707,225	744,448	903,570	946,259
31-60 DAYS (40%)	228,457	240,481	425,426	445,525	468,973	616,054	645,159	679,115	900,427	942,967	992,597	1,204,760
61-90 DAYS (20%)	109,076	114,229	120,241	212,713	222,762	234,487	308,027	322,580	339,558	450,214	471,483	496,298
91-120 DAYS (6%)	22,288	32,723	34,269	36,072	63,814	66,829	70,346	92,408	96,774	101,867	135,064	141,445
TOTAL MONTHLY COLLECTIONS	\$540,182	\$706,502	\$914,079	\$1,046,040	\$1,217,590	\$1,401,239	\$1,532,869	\$1,769,423	\$2,043,984	\$2,239,495	\$2,502,715	\$2,788,762
CUMULATIVE MONTHLY COLLECTIONS	\$2,915,664	\$3,622,166	\$4,536,245	\$5,582,285	\$6,799,875	\$8,201,114	\$9,733,983	\$11,503,406	\$13,547,390	\$15,786,885	\$18,289,600	\$21,078,362
RESERVE FOR BAD DEBT (4%)	14,859	21,815	22,846	24,048	42,543	44,552	46,897	61,605	64,516	67,912	90,043	94,297
ACCOUNTS RECEIVABLE BALANCE	\$1,772,290	\$2,172,643	\$2,429,967	\$2,922,861	\$3,299,674	\$3,594,213	\$4,310,067	\$4,883,353	\$5,317,951	\$6,086,961	\$6,716,310	\$7,243,499
CHANGE IN ACCOUNTS RECEIVABLE	\$522,639	\$400,353	\$257,324	\$492,894	\$376,813	\$294,539	\$715,854	\$573,286	\$434,598	\$769,010	\$629,349	\$527,189

VIEWIT HOLDINGS, INC.
 ACCOUNTS RECEIVABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36
MONTHLY SALES	\$3,873,483	\$4,056,483	\$4,269,982	\$4,648,870	\$4,868,501	\$5,124,738	\$5,451,592	\$5,709,147	\$6,009,629	\$6,292,380	\$6,589,658	\$6,936,482
CUMULATIVE MONTHLY SALES	\$32,289,641	\$36,346,124	\$40,616,106	\$45,264,975	\$50,133,477	\$55,258,215	\$60,709,807	\$66,418,954	\$72,428,583	\$78,720,963	\$85,310,621	\$92,247,104
COLLECTIONS												
1-30 DAYS (30%)	996,062	1,162,045	1,216,945	1,280,995	1,394,661	1,460,550	1,537,421	1,635,478	1,712,744	1,802,889	1,887,714	1,976,897
31-60 DAYS (40%)	1,261,678	1,328,082	1,549,393	1,622,593	1,707,993	1,859,548	1,947,401	2,049,895	2,180,637	2,283,659	2,403,852	2,516,952
61-90 DAYS (20%)	602,380	630,839	664,041	774,697	811,297	853,996	929,774	973,700	1,024,948	1,090,318	1,141,829	1,201,926
91-120 DAYS (6%)	148,890	180,714	189,252	199,212	232,409	243,389	256,199	278,932	292,110	307,484	327,096	342,549
TOTAL MONTHLY COLLECTIONS	\$3,009,009	\$3,301,680	\$3,619,631	\$3,877,497	\$4,146,359	\$4,417,484	\$4,670,795	\$4,938,005	\$5,210,439	\$5,484,350	\$5,760,491	\$6,038,324
CUMULATIVE MONTHLY COLLECTIONS	\$24,087,371	\$27,389,051	\$31,008,682	\$34,886,179	\$39,032,538	\$43,450,022	\$48,120,817	\$53,058,822	\$58,269,261	\$63,753,611	\$69,514,102	\$75,552,426
RESERVE FOR BAD DEBT (4%)	99,260	120,476	126,168	132,808	154,939	162,259	170,799	185,955	194,740	204,990	218,064	228,366
ACCOUNTS RECEIVABLE BALANCE	\$8,103,010	\$8,836,597	\$9,481,256	\$10,245,988	\$10,945,999	\$11,645,934	\$12,418,191	\$13,174,178	\$13,964,583	\$14,762,363	\$15,578,456	\$16,466,312
CHANGE IN ACCOUNTS RECEIVABLE	\$859,511	\$733,586	\$644,659	\$764,733	\$700,011	\$699,935	\$772,257	\$755,987	\$790,405	\$797,780	\$816,093	\$887,856

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 Proof of Projected Expenses
 FOR THE THREE YEARS FROM EXPANSION
 OF OPERATIONS

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	TOTAL
Cost of Goods Sold	\$ 338,737	\$ 458,364	\$ 537,891	\$ 722,461	\$ 1,195,421	\$ 1,484,193	\$ 1,822,541	\$ 2,115,290	\$ 2,952,956	\$ 3,149,072	\$ 3,419,223	\$ 3,671,182	\$ 21,867,332
Marketing Expense	1,390,144	1,480,539	1,514,785	1,688,425	1,799,348	2,147,194	2,616,939	3,092,520	3,651,956	4,136,047	4,605,795	5,082,501	33,206,195
Corporate Expense	1,785,804	586,763	622,211	793,110	822,208	937,024	1,089,026	1,366,724	1,489,105	1,691,425	1,894,765	2,238,507	15,316,670
R&D Expense	149,696	200,327	199,968	226,335	306,366	467,679	465,344	465,698	666,108	673,547	672,965	673,584	5,167,616
Income Taxes	-	-	-	-	-	-	-	-	-	576,636	2,591,715	3,221,765	6,390,116
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
production	(37,753)	(37,753)	(37,753)	(37,753)	(256,337)	(256,337)	(256,337)	(256,337)	(762,618)	(762,618)	(762,618)	(762,618)	(4,226,835)
cost of sales	(11,200)	(11,200)	(11,200)	(11,200)	(65,800)	(65,800)	(65,800)	(65,800)	(99,400)	(99,400)	(99,400)	(99,400)	(705,600)
Total Expenses Without Depreciation or Fixed Assets	\$ 3,615,428	\$ 2,677,039	\$ 2,825,902	\$ 3,381,378	\$ 3,801,205	\$ 4,713,952	\$ 5,671,713	\$ 6,718,095	\$ 7,898,107	\$ 9,364,710	\$ 12,322,445	\$ 14,025,521	\$ 77,015,494
Payroll & Investment Banking Fee	\$ 118,688	\$ 208,500	\$ 262,063	\$ 315,063	\$ 408,997	\$ 517,988	\$ 642,666	\$ 772,066	\$ 809,947	\$ 885,637	\$ 963,549	\$ 1,041,669	\$ 6,946,830
Cost of Goods Sold	166,250	210,000	228,750	247,500	299,563	339,250	383,938	422,375	477,041	518,713	546,884	568,494	4,408,756
Marketing Expense	290,750	290,750	290,750	326,500	341,038	341,038	341,038	342,825	358,089	358,089	358,089	359,966	3,998,922
Corporate Expense	1,200,000	-	-	-	-	-	-	-	-	-	-	-	1,200,000
Investment Banking Fee	49,250	84,250	84,250	101,750	156,713	272,213	272,213	273,088	409,548	417,073	417,073	417,992	2,955,411
R&D Expense	36,813	41,500	55,188	55,188	57,028	57,263	57,947	57,947	59,880	60,126	60,844	60,844	660,565
Network - Allocated	1,861,750	835,000	921,000	1,046,000	1,263,338	1,527,750	1,697,800	1,868,300	2,114,504	2,239,638	2,346,440	2,448,965	20,170,484
Total Payroll	52,996	74,652	156,484	252,455	493,543	710,952	1,037,544	1,385,108	1,778,107	2,128,815	2,492,831	2,875,065	13,438,552
Sales Commissions - Mktg.	-	-	-	-	-	-	-	-	-	576,636	2,591,715	3,221,765	6,390,116
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
All Other Expenses	171,096	200,911	226,876	358,446	464,287	644,068	857,738	1,021,087	1,280,991	1,401,417	1,593,656	1,767,495	9,988,067
Cost of Goods Sold	1,143,851	1,162,672	1,087,439	1,143,238	959,813	1,047,292	1,145,312	1,234,892	1,345,407	1,436,958	1,514,050	1,586,913	14,807,839
Marketing Expense	284,650	274,052	297,139	414,522	403,793	465,728	555,683	752,362	765,342	863,498	965,170	1,207,110	7,249,048
Corporate Expense	96,285	110,967	109,239	117,626	142,511	187,820	185,417	184,895	248,652	248,541	247,888	247,588	2,127,429
R&D Expense	4,800	9,600	9,600	14,400	14,400	19,200	19,200	19,200	19,200	19,200	19,200	19,200	187,200
Network - Allocated	1,700,682	1,758,201	1,730,293	2,048,232	1,984,804	2,364,107	2,763,350	3,212,436	3,659,592	3,969,614	4,339,964	4,828,307	34,359,583
Total Other Expense	-	9,186	18,125	34,691	59,520	111,143	173,019	252,251	345,904	450,007	551,494	651,419	2,656,758
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 3,615,428	\$ 2,677,039	\$ 2,825,902	\$ 3,381,378	\$ 3,801,205	\$ 4,713,952	\$ 5,671,713	\$ 6,718,095	\$ 7,898,107	\$ 9,364,710	\$ 12,322,445	\$ 14,025,521	\$ 77,015,494

Expenses by Month
 FOR THE THREE YEARS FROM EXPANSION
 OF OPERATIONS

	<u>M1</u>	<u>M2</u>	<u>M3</u>	<u>M4</u>	<u>M5</u>	<u>M6</u>	<u>M7</u>	<u>M8</u>	<u>M9</u>	<u>M10</u>	<u>M11</u>	<u>M12</u>
Payroll & Investment Banking Fee												
Cost of Goods Sold	37,683	39,464	41,541	66,199	69,326	72,975	83,205	87,136	91,722	100,032	104,758	110,272
		118,688			208,500			262,063			315,063	
Marketing Expense	52,784	55,278	58,188	66,675	69,825	73,500	72,628	76,059	80,063	78,581	82,294	86,625
		166,250			210,000			228,750			247,500	
Corporate Expense	96,917	96,917	96,917	96,917	96,917	96,917	96,917	96,917	96,917	108,833	108,833	108,833
		290,750			290,750			290,750			326,500	
Investment Banking Fee	1,200,000											
		1,200,000			-			-			-	
R&D Expense	16,417	16,417	16,417	28,083	28,083	28,083	28,083	28,083	28,083	33,917	33,917	33,917
		49,250			84,250			84,250			101,750	
Network - Allocated	12,271	12,271	12,271	13,833	13,833	13,833	18,396	18,396	18,396	18,396	18,396	18,396
		36,813			41,500			55,188			55,188	
Total Payroll	1,416,072	220,346	225,332	271,707	277,985	285,308	299,229	306,591	315,180	339,759	348,198	358,043
Sales Commissions - Mktg.	16,826	17,621	18,548	23,702	24,822	26,128	49,684	52,031	54,769	80,154	83,941	88,359
		52,996			74,652			156,484			252,455	
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
All Other Expenses												
Cost of Goods Sold	54,323	56,889	59,884	63,789	66,803	70,319	72,033	75,436	79,406	113,807	119,183	125,456
		171,096			200,911			226,876			358,446	
Marketing Expense	363,173	380,330	400,348	369,148	386,588	406,935	345,262	361,574	380,604	362,978	380,127	400,133
		1,143,851			1,162,672			1,087,439			1,143,238	
Corporate Expense	94,883	94,883	94,883	91,351	91,351	91,351	99,046	99,046	99,046	138,174	138,174	138,174
		284,650			274,052			297,139			414,522	
R&D Expense	32,095	32,095	32,095	36,989	36,989	36,989	36,413	36,413	36,413	39,209	39,209	39,209
		96,285			110,967			109,239			117,626	
Network - Allocated	1,600	1,600	1,600	3,200	3,200	3,200	3,200	3,200	3,200	4,800	4,800	4,800
		4,800			9,600			9,600			14,400	
Total Other Expenses	546,074	565,798	588,810	564,477	584,931	608,793	555,954	575,669	598,670	658,967	681,492	707,772
Total Monthly Expenses without Bad Debts	1,978,972	803,765	832,691	859,886	887,737	920,230	904,867	934,291	968,619	1,078,881	1,113,632	1,154,174

Exj by Md
 FOR THE THREE YEARS FROM EXPANSION
 OF OPERATIONS

	M13	M14	M15	M16	M17	M18	M19	M20	M21	M22	M23	M24
Payroll & Investment Banking Fee												
Cost of Goods Sold	129,857	135,991	143,149	164,461	172,231	181,296	204,046	213,686	224,933	245,131	256,712	270,223
Marketing Expense	95,111	99,605	104,847	107,712	112,801	118,738	121,900	127,659	134,378	134,104	140,440	147,831
Corporate Expense	113,679	113,679	113,679	113,679	113,679	113,679	113,679	113,679	113,679	114,275	114,275	114,275
Investment Banking Fee	-	-	-	-	-	-	-	-	-	-	-	-
R&D Expense	52,238	52,238	52,238	90,738	90,738	90,738	90,738	90,738	90,738	91,029	91,029	91,029
Network - Allocated	19,009	19,009	19,009	19,088	19,088	19,088	19,316	19,316	19,316	19,316	19,316	19,316
Total Payroll	409,894	420,522	432,922	495,677	508,536	523,537	549,679	565,078	583,043	603,855	621,771	642,674
Sales Commissions - Mktg.	156,700	164,103	172,740	225,727	236,391	248,833	329,420	344,983	363,140	439,772	460,548	484,788
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
All Other Expenses												
Cost of Goods Sold	147,411	154,375	162,500	204,492	214,153	225,424	272,332	285,198	300,208	324,195	339,511	357,380
Marketing Expense	304,741	319,138	335,935	332,515	348,225	366,552	363,637	380,816	400,859	392,078	410,602	432,212
Corporate Expense	134,598	134,598	134,598	155,243	155,243	155,243	185,228	185,228	185,228	250,787	250,787	250,787
R&D Expense	47,504	47,504	47,504	62,607	62,607	62,607	61,806	61,806	61,806	61,632	61,632	61,632
Network - Allocated	4,800	4,800	4,800	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Total Other Expenses	639,053	660,415	685,336	761,256	786,626	816,225	889,401	919,448	954,501	1,035,092	1,068,932	1,108,412
Total Monthly Expenses without Bad Debts	1,205,647	1,245,040	1,290,998	1,482,660	1,531,553	1,588,596	1,768,501	1,829,509	1,900,685	2,078,719	2,151,252	2,235,873

ensed nth
 FOR THE THREE YEARS FROM EXPANSION
 OF OPERATIONS

	<u>M25</u>	<u>M26</u>	<u>M27</u>	<u>M28</u>	<u>M29</u>	<u>M30</u>	<u>M31</u>	<u>M32</u>	<u>M33</u>	<u>M34</u>	<u>M35</u>	<u>M36</u>	<u>Total</u>
Payroll & Investment Banking Fee													
Cost of Goods Sold	257,158	269,307	283,481	281,190	294,474	309,973	305,927	320,380	337,242	330,730	346,355	364,584	6,946,830
Marketing Expense	151,460	158,616	166,964	164,691	172,472	181,549	173,636	181,839	191,410	180,497	189,024	198,973	4,408,756
Corporate Expense	119,363	119,363	119,363	119,363	119,363	119,363	119,363	119,363	119,363	119,989	119,989	119,989	3,998,922
Investment Banking Fee	-	-	-	-	-	-	-	-	-	-	-	-	1,200,000
R&D Expense	136,516	136,516	136,516	139,024	139,024	139,024	139,024	139,024	139,024	139,331	139,331	139,331	2,955,411
Network - Allocated	19,960	19,960	19,960	20,042	20,042	20,042	20,281	20,281	20,281	20,281	20,281	20,281	660,565
Total Payroll	<u>684,457</u>	<u>703,762</u>	<u>726,285</u>	<u>724,310</u>	<u>745,376</u>	<u>769,952</u>	<u>758,231</u>	<u>780,888</u>	<u>807,321</u>	<u>790,827</u>	<u>814,980</u>	<u>843,158</u>	<u>20,170,484</u>
Sales Commissions - Mktg.	564,549	591,220	622,337	675,899	707,831	745,085	791,474	828,866	872,491	912,833	955,959	1,006,273	13,438,552
		1,778,107			2,128,815			2,492,831			2,875,065		13,438,552
Income Taxes	-	-	-	-	-	576,636	805,984	860,857	924,874	1,003,844	1,070,233	1,147,687	6,390,116
					576,636			2,591,715			3,221,765		6,390,116
All Other Expenses													
Cost of Goods Sold	406,715	425,930	448,347	444,950	465,971	490,496	505,986	529,891	557,780	561,180	587,692	618,623	9,988,067
Marketing Expense	427,167	447,348	470,893	456,234	477,788	502,935	480,711	503,422	529,918	503,845	527,649	555,420	14,807,839
Corporate Expense	255,114	255,114	255,114	287,833	287,833	287,833	321,723	321,723	321,723	402,370	402,370	402,370	7,249,048
R&D Expense	82,884	82,884	82,884	82,847	82,847	82,847	82,629	82,629	82,629	82,529	82,529	82,529	2,127,429
Network - Allocated	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	187,200
Total Other Expenses	<u>1,178,279</u>	<u>1,217,675</u>	<u>1,263,637</u>	<u>1,278,264</u>	<u>1,320,839</u>	<u>1,370,511</u>	<u>1,397,449</u>	<u>1,444,065</u>	<u>1,498,450</u>	<u>1,556,324</u>	<u>1,606,640</u>	<u>1,665,342</u>	<u>34,359,583</u>
Total Monthly Expenses without Bad Debts	2,427,286	2,512,658	2,612,259	2,678,473	2,774,046	3,462,184	3,753,139	3,914,676	4,103,135	4,263,829	4,447,813	4,662,460	74,358,736

VIEWIT HOLDINGS, INC.
 ACCOUNTS PAYABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
MONTHLY EXPENSES	\$1,978,972	\$803,765	\$832,691	\$859,886	\$887,737	\$920,230	\$904,867	\$934,291	\$968,619	\$1,078,881	\$1,113,632	\$1,154,174
CUMULATIVE MONTHLY EXPENSES	\$1,978,972	\$2,782,737	\$3,615,428	\$4,475,314	\$5,363,051	\$6,283,281	\$7,188,148	\$8,122,439	\$9,091,058	\$10,169,940	\$11,283,571	\$12,437,745
PAYMENTS:												
Payroll (Bi-Weekly at the end of that period)	216,072	220,346	225,332	271,707	277,985	285,308	299,229	306,591	315,180	339,759	348,198	358,043
Investment Banking Fees (first mo. of Qtr)	1,200,000	0	0	0	0	0	0	0	0	0	0	0
Sales Commissions (Semi-monthly in arrears)	8,413	17,224	18,085	21,125	24,262	25,475	37,906	50,857	53,400	67,462	82,048	86,150
Income Taxes (One month in arrears)	0	0	0	0	0	0	0	0	0	0	0	0
All Other Expenses:												
Year One:												
1-30 days 80%	436,859	452,639	471,048	451,582	467,945	487,035	444,763	460,535	478,936	527,174	545,194	566,218
31-60 days 20%	0	109,215	113,160	117,762	112,895	116,986	121,759	111,191	115,134	119,734	131,793	136,298
Year Two:												
1-30 days 60%												
31-60 days 40%												
Year Three:												
1-30 days 50%												
31-60 days 50%												
TOTAL MONTHLY PAYMENTS	\$1,861,344	\$799,423	\$827,625	\$862,176	\$883,087	\$914,804	\$903,657	\$929,174	\$962,650	\$1,054,129	\$1,107,233	\$1,146,709
CUMULATIVE MONTHLY PAYMENTS	\$1,861,344	\$2,660,767	\$3,488,392	\$4,350,568	\$5,233,654	\$6,148,459	\$7,052,116	\$7,981,290	\$8,943,940	\$9,998,069	\$11,105,302	\$12,252,011
ACCOUNTS PAYABLE BALANCE	\$117,628	\$121,970	\$127,036	\$124,746	\$129,397	\$134,823	\$136,033	\$141,149	\$147,119	\$171,871	\$178,269	\$185,734
CHANGE IN ACCOUNTS PAYABLE	\$117,628	\$4,342	\$5,066	(\$2,290)	\$4,651	\$5,426	\$1,210	\$5,117	\$5,969	\$24,752	\$6,398	\$7,465

VIEWIT HOLDINGS, INC.
 ACCOUNTS PAYABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24
MONTHLY EXPENSES	\$1,205,647	\$1,245,040	\$1,290,998	\$1,482,660	\$1,531,553	\$1,588,596	\$1,768,501	\$1,829,509	\$1,900,685	\$2,078,719	\$2,151,252	\$2,235,873
CUMULATIVE MONTHLY EXPENSES	\$13,643,392	\$14,888,432	\$16,179,430	\$17,662,090	\$19,193,644	\$20,782,239	\$22,550,740	\$24,380,249	\$26,280,933	\$28,359,652	\$30,510,904	\$32,746,777
PAYMENTS:												
Payroll (Bi-Weekly at the end of that period)	409,894	420,522	432,922	495,677	508,536	523,537	549,679	565,078	583,043	603,855	621,771	642,674
Investment Banking Fees (first mo. of Qtr.)	0	0	0	0	0	0	0	0	0	0	0	0
Sales Commissions (Semi-monthly in arrears)	122,530	160,402	168,422	199,234	231,059	242,612	289,127	337,202	354,062	401,456	450,160	472,668
Income Taxes (One month in arrears)	0	0	0	0	0	0	0	0	0	0	0	0
All Other Expenses:												
Year One:												
1-30 days 80%												
31-60 days 20%	141,554											
Year Two:												
1-30 days 60%	383,432	396,249	411,202	456,754	471,976	489,735	533,641	551,669	572,701	621,055	641,359	665,047
31-60 days 40%		255,621	264,166	274,135	304,502	314,651	326,490	355,761	367,779	381,800	414,037	427,573
Year Three:												
1-30 days 50%												
31-60 days 50%												
TOTAL MONTHLY PAYMENTS	\$1,057,410	\$1,232,794	\$1,276,711	\$1,425,799	\$1,516,073	\$1,570,535	\$1,698,937	\$1,809,709	\$1,877,585	\$2,008,166	\$2,127,327	\$2,207,962
CUMULATIVE MONTHLY PAYMENTS	\$13,309,421	\$14,542,214	\$15,818,925	\$17,244,724	\$18,760,797	\$20,331,333	\$22,030,269	\$23,839,978	\$25,717,563	\$27,725,729	\$29,853,057	\$32,061,019
ACCOUNTS PAYABLE BALANCE	\$333,971	\$346,217	\$360,505	\$417,366	\$432,846	\$450,907	\$520,471	\$540,271	\$563,371	\$633,923	\$657,847	\$685,758
CHANGE IN ACCOUNTS PAYABLE	\$148,237	\$12,246	\$14,287	\$56,861	\$15,480	\$18,060	\$69,564	\$19,800	\$23,100	\$70,552	\$23,924	\$27,912

VIEWIT HOLDINGS, INC.
 ACCOUNTS PAYABLE ANALYSIS
 FOR THE THREE YEARS FROM EXPANSION OF OPERATIONS

	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36
MONTHLY EXPENSES	\$2,427,286	\$2,512,658	\$2,612,259	\$2,678,473	\$2,774,046	\$3,462,184	\$3,753,139	\$3,914,676	\$4,103,135	\$4,263,829	\$4,447,813	\$4,662,460
CUMULATIVE MONTHLY EXPENSES	\$35,174,063	\$37,686,721	\$40,298,980	\$42,977,453	\$45,751,499	\$49,213,684	\$52,966,823	\$56,881,499	\$60,984,634	\$65,248,463	\$69,696,276	\$74,358,736
PAYMENTS:												
Payroll (Bi-Weekly at the end of that period)	684,457	703,762	726,285	724,310	745,376	769,952	758,231	780,888	807,321	790,827	814,980	843,158
Investment Banking Fees (first mo. of Qtr.)	0	0	0	0	0	0	0	0	0	0	0	0
Sales Commissions (Semi-monthly in arrears)	524,668	577,885	606,779	649,118	691,865	726,458	768,280	810,170	850,679	892,662	934,396	981,116
Income Taxes (One month in arrears)	0	0	0	0	0	0	576,636	805,984	860,857	924,874	1,003,844	1,070,233
All Other Expenses												
Year One:												
1-30 days 80%												
31-60 days 20%												
Year Two:												
1-30 days 60%												
31-60 days 40%	443,365											
Year Three:												
1-30 days 50%	589,140	608,838	631,819	639,132	660,420	685,255	698,725	722,033	749,225	778,162	803,320	832,671
31-60 days 50%		589,140	608,838	631,819	639,132	660,420	685,255	698,725	722,033	749,225	778,162	803,320
TOTAL MONTHLY PAYMENTS	\$2,241,630	\$2,479,624	\$2,573,720	\$2,644,379	\$2,736,792	\$2,842,085	\$3,487,128	\$3,817,800	\$3,990,113	\$4,135,750	\$4,334,703	\$4,530,498
CUMULATIVE MONTHLY PAYMENTS	\$34,302,649	\$36,782,273	\$39,355,993	\$42,000,372	\$44,737,164	\$47,579,249	\$51,066,377	\$54,884,176	\$58,874,290	\$63,010,040	\$67,344,743	\$71,875,241
ACCOUNTS PAYABLE BALANCE	\$871,414	\$904,448	\$942,987	\$977,081	\$1,014,335	\$1,634,435	\$1,900,446	\$1,997,322	\$2,110,344	\$2,238,423	\$2,351,533	\$2,483,495
CHANGE IN ACCOUNTS PAYABLE	\$185,656	\$33,034	\$38,539	\$34,094	\$37,254	\$620,099	\$266,012	\$96,876	\$113,022	\$128,079	\$113,110	\$131,962