

LAW OFFICES OF
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TELECOPIER TRANSMITTAL SHEET

DATE: May 19, 2000
RECIPIENT: Mr. Brian Utley
FROM: Alan J. Epstein, Esq.
FAX NUMBER: (561) 999-8810
RE: Iviewit Summary Letter
NUMBER OF PAGES: 3 (including cover page)
CC: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.

MESSAGE:

Dear Brian:

Attached is a draft letter I would like to send to Pacific Capital Group (the company which founded Global Crossing), Waterview Partners (a \$240 million venture fund founded by Frank Biondi, the former chairman of Universal Pictures) and KPE (New York-based venture and service firm focusing on entertainment industry internet applications). I would very much appreciate your reviewing the letter for accuracy as soon as possible and providing me with your comments.

Best regards.



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If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via regular U.S. mail.

If all pages are not received, please contact sender at (310) 553-0305. Thank you.

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May 19, 2000

VIA MESSENGER

Mr. Gregg W. Ritchie
Pacific Capital Group, Inc.
360 N. Crescent Drive
Beverly Hills, CA 90210

Re: iviewit.com

Dear Gregg:

I very much enjoyed meeting you for lunch earlier this week. As promised, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the head of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's foreign patent division. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Mr. Gregg W. Ritchie

May 19, 2000

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Iviewit has licensed its technology and providing services to a number of substantial clients, such as hollywood.com, broadway.com, Hyatt Hotels and Resorts, and Great Expectations Dating Service. Iviewit also is in final negotiations to license its technology to playboy.com, medicalonline.com (x-rays, MRI's CT-scans, etc.) americanenterprise.com (multi-hour surgical and educational videos), gregmanningauctions.com (one of the largest auction houses) and many other clients in the entertainment, health care, automotive and other industries.

Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.5 million in a Series A round at a \$25 million post-money valuation from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently seeking an additional \$1-\$2 million in the Series A round, with a Series B round (\$10 million minimum) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its substantial backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

The iviewit technology is most easily explained through a demonstration. If Pacific Capital or its Venture Group are interested in learning more about the company, please let me know and I will arrange to have the principals fly to Los Angeles for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,

Alan J. Epstein

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LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

A PROFESSIONAL CORPORATION

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OUR FILE

May 30, 2000

VIA MESSENGER

Ms. Kimberly Chu
WaterView Advisors, LLC
2425 Olympic Boulevard
Suite 4050
Los Angeles, CA 90404

Re: iviewit.com

Dear Kimberly:

Following up on our telephone conversation last week, enclosed is a copy of the Business Plan for our client, iviewit.com.

Iviewit has developed two proprietary and complimentary technologies to enhance video and images delivered on the internet. The first is a state-of-the-art technology which enables full-screen, full-frame rate (i.e., 30 frames per second) streaming video to be viewed by any internet video player at bandwidths as low as 150 kbps, with increased quality and reduced file size. The second digital imaging technology creates an opportunity for full screen still images and 360° panoramic views that can be magnified to the optical limit with minimal image distortion.

Iviewit has protected its technologies by filing and securing eight patent pending applications, and is currently buffering and expanding those patents through a significant supplemental filing. Iviewit is represented by several of the most prominent patent law firms and attorneys in the world. Bill Dick, who is the most senior member of the intellectual property department of Foley & Lardner in Milwaukee, Wisconsin, was formerly in charge of IBM's patent and licensing operations in the Far East and in other territories. Mr. Dick and his patent team of attorneys are preparing all of iviewit's supplemental patent filings and are drafting all of iviewit's license agreements. Iviewit's potential patent litigation (if any) will be handled by Ken Rubenstein, who is the head of intellectual property litigation group at the law firm of Proskauer Rose in New York City. Mr. Rubenstein is in charge of all patent litigation on behalf of the MPEG patent pool, in addition to a number of other high-profile technology litigation matters.

Ms. Kimberly Chu
May 30, 2000
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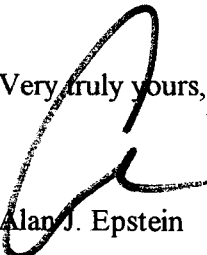
Iviewit initially raised \$500,000 of seed capital from Wayne Huizenga's venture group (at a \$10 million post-money value). Within the last few months, Iviewit raised \$1.5 million in a Series A round at a \$25 million post-money valuation from an investment group led by several individuals who previously ran Merrill Lynch's venture division. Iviewit is currently negotiating with an investment group for an additional \$2 million in the Series A round, with a Series B round (\$10 million minimum) to follow later this year. The proceeds will be used to provide working capital (including the leasing/purchase of equipment and facilities) which will enable iviewit to fulfill its backlog of orders and to expand its licensing operations. Iviewit is currently in discussions with several of the nation's leading investment banks to lead the Series B fundraising efforts.

The iviewit technology is most easily explained through a demonstration. If you or your colleagues at WaterView are interested in learning more about the company in the context of a Series A and/or Series B round investment or a licensing or other strategic relationship, please let me know and I will arrange to have the principals fly to Los Angeles (or New York, if you prefer) for a meeting. Although you can see some of the company's technology and applications on the website (www.iviewit.com), the highest-quality work is not available for public viewing and is best seen through a private demonstration.

I look forward to hearing from you.

Best regards.

Very truly yours,



Alan J. Epstein

Ms. Kimberly Chu
May 30, 2000
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cc: Mr. Eliot Bernstein
Mr. Brian Utley
Mr. Maurice Buchsbaum
(w/o encls.)

LAW OFFICES

ARMSTRONG HIRSCH JACKOWAY TYERMAN & WERTHEIMER

Ms. Kimberly Chu

May 30, 2000

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bcc: Michele M. Mulrooney, Esq.
James R. Jackoway, Esq.