



## BUSINESS SUMMARY

*OpusOneMedia*  
Executive Summary

Mission Statement

Opus One Media develops and markets proprietary integrated enterprise platforms for seamless communication between any email system and any telephonic device. We meet our technology goals with partnerships with IBM Pervasive, ScanSoft™ Naturally Speaking and ByoBroadcast. We have a significant installation and beta project under contract and through it will use a combination of IBM and private marketing to expand our utilization.

Financing

Opus One has expended \$535,000 to date. Acquired proprietary technologies have a solid 4+ years of field use and have expended over \$6 million in development and implementation. All utilized technologies are proprietary.

Our projections indicate a need of \$1,338,833 million to implement our agreement with Cendant Corporation/Rental Car Division, build out structure and be prepared to move into other market areas. That will take us through 2 rounds, the first consisting of \$755,000 and the second of \$583,000 to build out the infrastructure to support the business.

Projections are to be cash flow neutral in 8 months of funding.

We have added our own proprietary contributions to these baseline technologies. We are applying our core technologies to major projects with our one main Corporate Client and the potential for three (3) other significant applications:

5/1/2007

Summary

- Audio-e-Mail™ - our primary mission. By simply calling an 800# and logging in, a customer can access all his e-Mail, *listen* to his printed e-Mails, and respond. More important, with voice commands alone, the customer can initiate an Audio-e-Mail™ through his address book or by simply saying the recipient's address. Cendant Car Rental Group has begun the implementation sequence to make this technology available to all of its members, both during car rental periods and as a benefit of its car club membership organization. The technology is planned for application to all Cendant Divisions including the hotel/motel chain and real estate entities.

Our early stages started on the original road of sending syndicated radio programming and announcement content programs via e-Mail. We assembled the necessary technology in order to lower the cost to what we felt were compelling and effective levels. The market was interested but discretionary advertising and promotional spending on anything related to the Internet was at historically low levels. After a long process, we are now concentrating on building middleware platforms, entering into service agreements for their use, and co-marketing that service to others.

Our executive team is in place. We have the technology necessary to finish the platforms and commence the Beta testing with Cendant.

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Cendant Car Rental/Cendant Corporate Audio-e-Mail™

The primary product is an electronic message (e-Mail) that is addressed by voice commands and the message is in a voice packet that contains its own player. There is voice-to-text conversion software in each packet that permits translation of

any voice message to a full text rendering, text translation to any of 23 common languages, and restoration into audio message format. The messages work from any phone or voice equipped audio device (microphone, some hand-helds). Likewise, a PC device including hand-helds can initiate an Audio-e-Mail™. Our software packets translate text to voice in numerous languages. This permits e-Mail “checking” by any phone and forwarding of common e-Mail messages to any wireless audio device or any telephonic receiver.

The largest and most obvious business segment targets the business traveler and, more broadly, the traveling consumer. Rental cars were a natural and perhaps easiest to explain (most apparent).

With this in mind, we approached Cendant Corporation (Avis and Budget Rental Cars). Our original concept was the utilization by the rental car customer at point of purchase. A renter would be given this feature to use during his lease period. Avis and Budget have approximately 55,000 daily rentals in force and the majority of the Avis rentals were weekday business travelers and that is a highly e-Mail dependent population. A sharper application point rested in acquisition of the membership generally (Avis = 7.5 million, Budget = 3.7 million). If a person belongs to either one of these memberships, then automatically they can use the voice e-Mail system. That was the “magic bullet” that changed the potential usage and therefore revenue models by an order of magnitude.

### How the e-mail system works –

A very good basic demonstration of the audio email process can be found at :

<http://www.nuance.com/naturallyspeaking/demos/#>

This is the PC to PC application using dictation to seed the various parts of an email. We, of course, take the basic technology to its logical conclusion and make the link between PC or digital and telephony (cell or LAN).

### Discussion:

A typical email system is set up within a fairly strict and uniform protocol. Messages contain “to and from” lines, message subject and body. Other parts of the message unit, negotiating codes, etc., are a matter of norm in any messaging system.

We noted that in “sequence” the first consideration is address – to which the message is being sent. In normal experience, this address line interplays with a user’s address book whereby sometimes only the first few letters of an address need be typed and auto-fill supplies the rest or, in the case of an unknown name or “not sure” issues, it is possible to list all the “Yahoo.com’s or Ann’s or Ted’s or simply ask for an alphabetical listing and select from there).

The options are then given to:

1. Speak the address in two parts:
  - a. User name
    - i. We confirm and insert “@”
  - b. Domain and
    - i. Prompt for .com/.net etc.
2. Speak the address and when the letters start filling it the system will voice prompt “address...’is that correct?’.. ViaVoice™ permits interrupted conversations and this feature is now mounted in the Naturally Speaking software. This feature will work off of memory and off of the reference “email address book”, a designated address book, or one that is constructed specially for this service.
3. Say “address book”
  - a. Voice prompts “say name, domain, or 1<sup>st</sup> letter” much as normally is found in a directory.

The “subject line” in a normal email is filled in “via voice” and read back to the sender for confirmation. We will prompt the user to be brief for efficiency sake. If a change is desired, on replay, the prompt will be 1. save and continue or 2. change (restate).

The message body is purely dictation. We will urge the user to speak clearly and at a reasonable speed (the upper end dictation speed limit is not actually a factor as the conversion from voice to text occurs at a fairly fixed rate regardless of input speed). We have examined the utilization of message

segments consisting of 40 words each so that once a segment is “full”; the message is read back for correction or “save and continue”. A 40-word email is considered a long message by average standards but we put no limit on the length of any email composition.

At the conclusion, the message is packaged and “sent” to be received in any number of variations. First, we can simultaneously text translate to the 23 common languages so the recipient can receive (and the sender can send) without a language barrier. The message, since it is converted to text, can be sent as a fax or it can be sent as a text message to a wireless phone although we view text messaging as anti-ethical to phone use.

Our contention is that a phone is a voice mechanism, not a typewriter, and all user aspects of this system are built to make the most of the voice aspect of the communication process.

### Receiving Email

Browsing an “inbox” is simply a matter of signing in to your mailbox with user name and password. We can place as much security (voice recognition, pre-pass wording or double passwords, etc.) as is necessary.

The user will be prompted to go to the “inbox” and either have messages read in order, sorted by sender or date and read that way, only new messages, or only messages from certain

addresses. The text of any email (send, subject, body) is filtered through text to voice (please see: <http://www-306.ibm.com/software/pervasive/tech/demos/tts.shtml>) This feature is available in virtually any language.

At the conclusion of a “read email”, the recipient is prompted to either “respond” or “continue”. **If respond is selected:**

1. The “to/from” address slots are merely reversed.
2. The subject “stays the same” with the phrase “voice message response” added and
3. The respondent is prompted immediately to the “body” of the message.

At the **send** command, either at the end of a new message or at the end of a “respond” message, the message unit is bundled into a message packet. This packet contains both the text rendition AND the original voice recording. As we embed a self-opening applet player at the beginning of the voice message file, no third party player is necessary.

Each message packet is tagged with an identifier code number that has the following sequence:

1. sender name/account
2. recipient identifier
3. time of message creation
4. duration of message
5. when message was actually bundled and sent
6. when it was received
7. when it was opened (and heard/read)

8. duration of that session
9. total message time

#### Billing/Revenue Model

We offer billing with the same degree of certainty as found in a cellular phone bill. As all messages are digital, we also save each message for a period prearranged with the user. Copies of the message are in the “in/out” box of the user’s email and retrievable as such. Messages, will, however, expire at some point to be determined.

We have examined a number of revenue potentials and have found the “per second” basis to be the most efficient. Our hard processing costs (including 800 call in lines, message computation, storage, etc.) are roughly 12 cents per minute. We anticipate a break point of \$.40/minute for user charge.

We have examined normal email use and have chosen a fraction of that daily usage for our model. First, we note that message composition requires a significant amount of time. The process, including typing, thought, etc., generally requires 3-4 minutes for a 100-word message (7-8 strokes per word). Dictation of a message cuts that time in half with a normal speech speed of 3-4 words per minute (as an example, reading at 240 words a minute and pronouncing each word is on the lower side of average).

On the accompanying Excel Booklet titled “March 15 Revision”, please examine the page titled “Schedule D – Cendant Costs”. The **numerics highlighted in red** are variables

that demonstrate the effects of numbers of messages sent and read and the time designated for each message. We have adopted normal usage conversion rates from the general population and reduced them by 2/3rds.

Of note is a graph embedded on that Excel page which shows the server demands based on projected usage. Email frequencies vary during the course of the day. Peak Internet times are fairly consistent weekdays although daily usage has nearly predictable 7-day cycle. For the purposes of this projection, we simply took the normal email frequency times generalized over a seven-day period.

It is an important graph insofar as messages must be processed promptly and the server base must be sufficient so as keep up with demand. The SKD Naturally Speaking servers process at a set rate. We anticipate and plan for no more than a 5-minute delay between conclusion of a message packet (send function) and delivery. There is, however, no way to arrive at a finite number or a definitive number of servers to meet this goal.

#### Accuracy and Learning

Via Voice and Dragon Naturally Speaking software “learns” over time. That is, the more time spent working with the software, the more accurate the system becomes. Ultimately the goal is hospital dictation level accuracy. ViaVoice™ will not reach that level without intelligent “learning” of both speech patterns and, in particular “user jargon”.

For optimization, we recommend building a user specific vocabulary of 50 words expanded to 500 for more esoteric

applications. The IBM studies indicate that normal or common words, when pronounced well have a very low error rate. The problems arise with proper nouns, names, and of course, difficult words or specialized vocabularies.

We note perceived advantages for a new user to invest time in building a vocabulary. First, the user will familiarize himself with talking with an artificial voice and interacting with it. This will reduce his anxiety level when he moves on to the actual enterprise software environment. Second, and most important, the user will have a time investment in the account. He has built a vocabulary and taken the time to learn a speech pattern best recognized by the system.

#### Key Personnel and Affiliates

##### Harold House – Chairman

Opus One Media’s technology is the culmination of Harold House’s abilities to perceive needs and successfully to have envisioned and designed scientific, hi-tech and other products and services. Harold has extensive experience in advertising and marketing, having served in the capacities of Vice President of Media, Director of New Business Development, and Director of Marketing for numerous firms.

Louis Libin – Technology Advisor

Mr. Libin has a long and distinguished career as on of the United States foremost authorities in transmission issues. His clients include all the major broadcast networks, the Olympic Committee, the RNC and the DNC. He is a major consultant

to committees within the FCC, State Department and the United Nations.

#### Ben Krysiak – Technology

Prior to founding ByoBroadcast, Ben was a founding member of Technogenesis.com, a next generation search technology company, with responsibility for business development and marketing. Ben formed ByoBroadcast in September of 1999 to create the leading Audio Service Provider model of audio solutions, implementation, and application hosting. Ben is a Cornell graduate.

#### Jeff Valentine - Programming

Jeff Valentine bridges ByoBroadcast's business and technical requirements. Since it's beginning, Jeff has helped design ByoBroadcast's product and services, and today leads the Product Development, Customer Operations, and Professional Services divisions.

#### Satish Bhatti - Programming

Satish has been instrumental in the development of the core technology of ByoBroadcast. As Chief Scientist, he engineers and designs the architecture for the core applications suite. Satish has over 12 years of development and technical experience, specializing in networked and multithreaded applications for companies such as Hughes Network Systems, MCI, and PictureTel.

#### Roger Rubenstein – Disney Project Head

Roger has a national reputation for managing large-scale business process improvement and IT implementation projects involving multiple participants and sub-contractors, creating business opportunities, and directing new product and service design and development. Currently he is Vice-President of Operations and Administration for XM.

#### Frederator

Headed by Fred Seibert, one of the major character marketing innovators of the past two decades and Emil Rensing, who's resume includes the management and establishment of the AOL Greenhouse Division, Frederator will serve to maximize our strategic relationship with Disney Publications

#### Other

All staff positions have been identified and suitable personnel have been found in each case. To the extent permitted by law, we will utilize sub-contractor relationships with many of our associates. Two teams, generally labeled “Voice” and “Vision” will be tasked to the Cendant and New Business Development areas respectively. The new business areas involve Homeland Security, Emergency Notifications, Satellite Radio/Television potentials and ISP/PayPhone networks.

#### Voice Applications Division (New Business Areas)

Harold House will spearhead the relationship. JoEllen Rix, Joanna Corbin and Lori Silberman will act as account executives. A team of 3 graphic and print artists will be headed by Jennifer Bigora and includes multi-media presentation experts from the Pratt Institute in New York City.

ByoBroadcast will provide technology leadership on a retained basis with additional accounting/billing support adhering to the guidelines set forth by Jon Spencer and his business practices advisory team

### *Central Voice and Visions Office*

Deborah House and Richard Bartel, Esq., will serve in a central office charged with coordinating reports and general corporate structures in accordance with the direction of the business advisory team. This office will also have personnel (TBD) in charge of procurement and cost analysis, generally working in conjunction with a "Spencer team" auditor and project manager. Although the plan is to outsource our Internet presence to a combination of IBM Business Services and our Webmaster(s) (Spincast), this office will serve as the central contact point for coordinating all the visible business aspects of the company.

### ScanSoft™ Dragon Naturally Speaking SDK

We began with IBM WebSphere Voice Application Access (WVAA) V5. As IBM reached agreements with ScanSoft™ for the commercialization and marketing of their speech/text/speech platforms, we migrated to the ScanSoft™ Dragon product line to deliver a higher accuracy rate and, coincidentally, to deliver a much lower cost build out.

Essentially, we can place our in-house platform into the ScanSoft™ platform instead of vice versa. The result is a shorter final stage development period and a much less expensive support roll out.

Furthermore, we have the ability to "build down" the system for the marketing of a "stand alone" small business program. We envision a low cost dedicated package that addresses the small business market. It would have optional translation features and add-ons but will provide the basic components for installation on a network of from 1-25 users and other editions available "on up". As Dragon works on Windows and Mac OS, we are much more flexible in our marketing potentials.

Dragon Naturally Speaking is now being used for physician/hospital dictation and, after a user interface period where speech patterns, specialized vocabulary/jargon and specific language usages/syntax are explored and "learned", the accuracy rate edges toward 99%.

We view the "learning stage" or the "setup" stage as a plus in marketing. First, the user feels as if he/she is accomplishing greater accuracy potentials the more time that is spent setting

up an account. Second, there is a time-investment ethos that brings the apparent value of time spent into the product. It becomes more of a partnership than an ASP setting. Last, the speed of voice to text rendering is faster than the spoken word. That is, a 1-minute voice message rendering perhaps 100 final words (about 650 characters) renders to text in about 40 seconds. The “results” are therefore, nearly real time rather than delayed.

Our user benefits remain the same:

- Provide mobile users with an efficient voice user interface (VUI)
- Help improve the efficiency of mobile workers by enabling voice access to productivity tools (e-mail, calendar, address book, and reminder), enterprise applications, or Web content
- Fully supports interoperability with IBM WebSphere™ infrastructure including WebSphere Portal and WebSphere Everyplace Access
- Maximizes investment in speech technology through continued support of open standards like the VoiceXML 2.0 specification

### Integration of IBM CRM Technologies

IBM has developed a large armamentarium of CRM voice command sequences that are easily built, customized and modified for any user situation. It becomes an easy task to set up contact address books (see next page) and address systems.

At a recent IBM Speech Technology Innovation day in New York, IBM, customers and partners showcased new speech technology breakthroughs and products that demonstrate their widespread adaptation.

There have been significant changes in the 10 years since IBM introduced its speech software. Now it can work in a moving auto and control your car electronics, can operate most kitchen or audio centers, is accurate enough to be used in hospital physician dictation settings, and in vastly more efficient and improved CRM settings for business. Ambient noise and dialect variations, once considered insurmountable obstacles, are increasingly being overcome with the result that applications are being adapted to more segments of everyday life.

As examples:

IBM and Avoca Semiconductors, Inc., announced a new collaborative effort with All Media Guide, a leader in entertainment content providers. The effort will support voice control and search options on digital entertainment devices (DVD players, etc.);

Pioneer Electronics USA will include IBM Embedded ViaVoice™ technology in its AVIC-22 navigation system. This point addressing atlas database will allow voice commanded accessing to over 45 million addresses;

Alpine Electronics has developed a hands-free input and turn by turn driving direction system that permits drivers to interact with data in three different ways, via-voice, touch

screen or remote control. The system works in English, Spanish and French.

More information on IBM's Speech Solutions can be found at <http://www360.ibm.com/software/infol/websphere/index.jsp?tab=> and <http://www-03.ibm.com/press/us/en/presskit/20324.wss>.

The call-in number for this demo in the United States is: 1-877-520-0541. Outside of the United States dial (01) 972-359-0679. The WebSphere Voice Server demo demonstrates the ease of accessing Internet information over the phone. Call in and choose from the following demo options:

#### **Movie schedules**

This demo allows you to obtain show times for movies in United States zip code areas. Search by theaters or movies. The data is live data from Tribune Media Services at [www.zap2it.com](http://www.zap2it.com). This is a WebSphere Voice Server demo utilizing VoiceXML to provide speech recognition and Text-To-Speech.

#### ***Other Applications***

Building on the IBM and ScanSoft™ platform and using it as a base server component permits us to finish other applications by simply finishing the Cendant application.

We have explored Satellite downloads (radio and television), distance educational learning, translation telephones and VoIP applications. With our current and final configuration, we have the ability to supply product services into each of these vertical market areas without any further development work.

Please examine:

<http://www.scansoft.com/naturallyspeaking/sdk/support/> for additional platform information.

If you are not familiar with Text/Speech interfaces, please try the following:

#### **Nutritional Planning Tool**

This demo is the winner of the "IBM Cool Blue VoiceXML Challenge". This is a nutrition planning application that can help people plan their diets by phone. Follow simple voice prompts to learn more about nutrition and how to plan your diet. This is a WebSphere Voice Server demo utilizing a VoiceXML application.

#### **IBM Directory Dialer**

This is the IBM Directory Dialer as used in production today. It can be reached directly in the United States by dialing 877-IBM-NAME (877-426-6263). It is a demonstration of IBM speech recognition used in an automated attendant and directory information application. It is an example of directed dialog without barge-in. Information that can be obtained after providing the location and name of the individual you wish to reach includes

Use Violet Markowski in Hartford and New York as an example. She is one of our IBM "friends".

### Cendant Car Rental/Cendant Corporate Audio-e-Mail™

The primary product is an electronic message (e-Mail) that is addressed by voice commands and the message is in a voice packet that contains its own player. There is voice-to-text conversion software in each packet that permits translation of any voice message to a full text rendering, text translation to any of 23 common languages, and restoration into audio message format. The messages work from any phone or voice equipped audio device (microphone, some hand-helds). Likewise, a PC device including hand-helds can initiate an Audio-e-Mail™. Our software packets translate text to voice in numerous languages. This permits e-Mail “checking” by any phone and forwarding of common e-Mail messages to any wireless audio device or any telephonic receiver.

The largest and most obvious business segment targets the business traveler and, more broadly, the traveling consumer. Rental cars were a natural and perhaps easiest to explain (most apparent). For instance, we approached Cendant Corporation (Avis and Budget Rental Cars). Our original concept was the utilization by the rental car customer at point of purchase. A renter would be given this feature to use during his lease period. Avis and Budget have approximately 55,000 daily rentals in force and the majority of the Avis rentals were weekday business travelers and that is a highly e-Mail dependent population. A sharper application point rested in acquisition of the membership generally (Avis = 7.5 million, Budget = 3.7 million). If a person belongs to either one of these memberships, then automatically they can use the voice e-Mail

system. That was the “magic bullet” that changed the potential usage and therefore revenue models by an order of magnitude.

### Emergency Notification Technology

We have been developing a enterprise platform cross communications system that utilizes text/voice and voice/text technologies (IBM and ScanSoft - development partners with each), that – particularly in the wake of the Virginia Tech shootings, has some relevance and application to the problem found there and in other Homeland Security applications.

1. We perceive the need to instantly send out a message that is instantly receivable on all or nearly all message reception devices.
2. We believe that the source of the message can be any device capable of sending a message.

We are in the last stages of development for a system for Cendant (Budget and Avis Division) that incorporates the following:

Step I: Message origination:

- Currently workable “message out” components:
  - a. Any telephone (wireless or LAN)
  - b. Any e-mail originator
  - c. Any WP or MS typed document
  - d. A microphone attached to a PC

- Most common configuration:
  - a. Any telephonic device (as no typing is required at any time, any telephonic device will work equally well.

### Step 2: The message

The message can be any length. It is, in its most common form, “spoken”. Security can place a “voice recognition/identification” check into the normal “log in/password” connection establishment. The message is then simply dictated.

The message is then incorporated into a message packet (proprietary/patent in application) and then contains both the original spoken version and a text to voice rendition of the verbal message. We use Dragon Software from ScanSoft resting on an IBM pervasive platform (directory dialer) with message routing functionality. We now have a message that is both in digital text rendition and the original audio message. We attach a self-opening java applet to the message so that no third party player (Real, MS Player, etc.) is needed.

The addressee(s) are then selected. Any combination of recipients can be selected either by group or individually. There is no practical limitation to the number or type of recipients.

Languages: currently ScanSoft and IBM regularly translate into 23 common languages. The system can accept input in 23 languages and output an audio and text message in 23 languages. More languages are possible but with a slightly reduced voice to text accuracy rate. Current accuracy is that of hospital level dictation expectations.

### Step 3: Sending/Receiving

At the “save and send” command (all voice messages can be edited and reviewed before sending), the message packet is sent to the platform and all variants are processed. The packets progress to (currently) a Sprint Telephony Center in Boston that coincidentally sits on the Internet backbone. Backup distribution is through IBM data storage and management.

The recipient has made a number of reception choices. These include:

- Telephony (LAN or cellular) with the message sent as spoken
- Text Message to cell or Palm device
- VoIP reception
- E-mail
- FAX
- And we are developing: Satellite (XM radio or dish TV)

We can also distribute the message in text form as a screen crawl on television or in an “emergency broadcast” file to radio.

The recipient can choose the language in which he/she wants the message to be received. As an example, if recipient A wishes to receive all emergency notifications by: Cell phone text message, email and fax (the later in Spanish), the system will so note and distribute the message accordingly.

#### Implementation:

This is a very easy tool to set up. We consider approximately 12 weeks from beginning to end to provide "black box" software that would be able to handle the entire interface. We cannot estimate ISP integration times or local telephony provider integration but we can provide an "off site" set up that would work something like as follows:

Our telephony server will be connected to digital voice T1 lines to handle inbound call traffic over TDM. The circuits would be configured with 24 channels per trunk, E&M wink, with 4 digit DNIS and full ANI. When a call comes in, the telephony server would answer, play a prompt asking the user to identify him/herself, and then expect DTMF digits for validation. Once validated, the system would prompt the user with a menu of options, including listening to email messages and sending an email message. The interface to any email system is done via HTTP GET's to our application server, which would broker connections to a database of accounts (for validation) and control the business logic of the call flow. It is the app server that logs in to the email server, retrieves the messages, and formats them into a finite state machine for the phone server to interpret. In this way, the system is fault-tolerant and able to

be load-balanced among several different identical telephony and app servers.

*The app server would need access to the email servers of expected users in the same way Outlook would - so if you require SMTP authentication, we would send it. Similarly, if you only allow access from a restricted firewall zone, we would need a VPN or pinhole to that zone on port 25 and 110 if we were talking SMTP and POP3. This component is customizable and will be adjusted to fit your needs upon implementation.*

With the inclusion of a self-opening audio message player, voice authentication (user recognition) can be achieved in a normal email environment. As speech identification (for security recognition) is an important consideration, the inclusion of appropriate levels of recognition software (IBM) has been planned for. A series of sign-on codes and authentications can be easily put in place so as to reduce the chance of a "hacked" message.

#### Summary:

We are just a few months away from having this system complete. It will permit instant messaging across all available message receptors. The message can emanate from one source and the recipients can be selected from a range of 1 to all.

We point out to you that on 9-11 there were several major communication problems in NYC. First, all cellular phones and eventually LAN lines were overloaded to the point that the system shut down. Second, emails on dial-up were down almost immediately due to volume. Email transmitted on T1 or

broadband was largely uninterrupted. Broadcast radio and television with transmitters at WTC I were out of commission and therefore useless.

The end effect was that with all the good information and direction flowing outbound, there was NO CENTRAL INFORMATION SYSTEM THAT COULD REACH EVERYONE THAT WORKED. Cell phones were useless. The next level up, LANS were overloaded. The backup “email” was working only on broadband. Radio and television were dependent on information dissemination that was interrupted and on sources that were often second hand.

Now imagine Mayor Giuliani picking up a phone – cell/LAN/Payphone – and accessing a platform that simultaneously started leaving messages by email/fax/phone/screen crawl/satellite, web-posting (yes we can post the message as a linked file on any site, anywhere at the time of message reception so if you are NOT ON THE DISTRIBUTION LIST, you can get the message.

Imagine the Chancellor of Virginia Tech when hearing the news called in an instantly distributed the word of the shooting and the danger to every cell phone (by text or by call) every LAN, every fax and every email both within the Virginia Tech community and alerting all relevant hospitals, police, and emergency responders by similar means.

### Satellite Radio

We have examined the issue of reception of emails via a satellite radio link. Without in-depth technical knowledge of the hardware and programming in the system as it is currently configured, we cannot say with absolute certainty that this can be done. Our impression is, however, that reception and reply (initiation) can be accomplished with fairly little effort.

Putting aside the discussion as to the level of subscription, the technology issues are fairly straightforward. If we assumed the following, a reasonably easy system can be envisioned:

1. There needs to be an intermediate “email address” that is under satellite control. That would be a mailbox to which mail could be either forwarded or directly address as in [fredt@satellite.mail.com](mailto:fredt@satellite.mail.com). We would look to filters to reduce the potential for spamming. Also the mailbox would be an “stopping point” where messages could be configured and filtered...there may also be questions of language content controls etc. but we don't have a handle yet on legal issues.
2. At the onset, we believe that origination of emails would come from both PC and phone. We are investigating the use of a common microphone to uplink to the mail system but that would require a good amount of heavy lifting. *A more elegant solution is a wireless addition to the radio that connects to a dedicated 800 line and permits interaction with the mailbox.* This is easy to do. It also justifies a usage fee.

3. Down linking on a dedicated channel requires that the receiver have a broadcast identifier. It would be possible to isolate reception by having some localization password filtering. The broadcast can batch out the signals (messages) and although the receiver will pick up a wide number of messages, a coded entry at the receiver level will permit filtering. That appears to be the easy way around the issue but care would be taken to keep from open browsing and hacking.

To the issue of security, we believe that the only acceptable standard would be as “secure as online emails”.

The actual set of solutions is not difficult or complicated as all technology necessary is certainly “off the shelf”. The solution relies more on cleverness than on anything else.

An intermediate solution was suggested whereby we bypass the satellite completely. Most of these networks have built in AM-FM receivers so that local news, etc. can be accessed. With a “built in phone” as mentioned in #2 above and the incorporation of a limited range transmitter from the digital phone signal, and a receiver that plays out only on a “blank channel” of choice, a very easy system can be configured. The radio would become the speaker. We could “ping the phone” when a message is received and it could, in turn, ping the radio station with an announcement that there is email waiting.

Not knowing the specific satellite capacities, the obvious route is to find if a dedicated satellite phone link can be established. In that way, reception problems would be minimized.

1. We are of the opinion that the inclusion of the features described in the first memo would also permit Satellite Radio to mimic some of the functions of “OnStar™”.
2. We have software available that permits live conferencing through email platforms. A simple reworking would permit linkage from email directly to 911 telephony.
3. Localization pre-programming and a rudimentary GPS inclusion can provide fairly exact locations.
4. We believe that other than the physical microphone connector, the entire system can be reduced to a simple board for either upgrade or inclusion during manufacture.

Previously, we suggested consideration that the satellite radio network/system have its own email mailbox system as in [fredt@serius.com](mailto:fredt@serius.com) or [js@xm.com](mailto:js@xm.com), etc. We have further explored this issue and have received the following useful advice:

1. One of the central components of satellite radio rests in scrambler/descramblers so that signal cannot be pirated. This adds greatly to the privacy issue so it would be an advantage to similarly “scramble” audio-emails the same way. That first step would be a reasonable precaution that would aid in the privacy discussion.
2. On purchase, the “account is activated”, that is, the unique chip identifier is “turned on”. Therefore, upon non-payment, the service is interrupted. There is, without getting very technical, an accessible gateway that either permits or blocks a signal. It may be

possible to piggyback that gateway to send emails specifically to the owner/subscriber. If this is indeed the case and that technology appears highly guarded (no doubt there is a cottage industry in supplying bootleg descramblers similar to cable television boxes) the solution is immediate and elegant.

3. In a prior memorandum we suggested that a solution would be to install a very limited cellular phone based chip for reception and transmission. We remain on the side of dedicated transmission (replies or origination) as viable. If the reception issue can be solved by the chip identifier/account gateway, then the solution is or can be as simple as a chip upgrade. This would also maintain the viability of local emergency call functions through the radio.
4. Further, we suggest that consideration be given to a satellite email mailbox system that can receive forwarded mail from other domains. The messages would reside in that box until a channel selection is initiated by the receptor (messages waiting would of course be broadcast to the recipient when the receiver is switched on). As the text of the email message is converted to voice, it would be the appropriate time to identify the message as potential spam. We would not discard spam but permit the mailbox to be accessed by phone or Online.

Simply, the satellite.com mailbox would have multiple access flexibility, the key one of course being accessed through the radio as just another channel. Permitting multiple access (uploading by built-in dedicated cellular for instance AND

scanning the email box – i.e. “next, skip, scan-for, commands” would greatly simplify the entire process) enables “permission based” mailbox access by installing a second layer of security.

### **PayPhone/Transient Usage/Translator Phones**

We have been examining the potential for presenting audio email solutions to the Military so that members of the armed services can send voice emails back via a local connection ... thus sending “human voice” messages that can be shared and passed, reducing phone costs that preclude a certain number of soldiers from phone conversations, reducing or eliminating message congestion caused by time zone differences, daily schedule, etc.

1. The sending issues are fairly straightforward. However, with the increase in “spam guards” and “junk mail filters” particularly set to catch email that originates from a suspect, “bogus” or non-existent domain, the first step is the establishment of a legitimate originating mailbox that rests in a recognizable domain.
2. The company was described as having 78,000+ payphones and numerous ISP components. With a “payphone” environment base, a likely high Hispanic pool for new members and with a probably low index for “charge” cards to establish credit accounts, we have long felt that email phone cards were a logical entry method.

- a. The population is familiar with phone card setups
  - b. The “membership fee” can be cash payment and replenished in bulk
  - c. Cards can be distributed to locally convenient to area codes, local ISPs, etc., to maximize profitability in local access costs. Surcharges can exist for “roaming” so to defray costs of out of ISP bases. (ISPs are often non-integrated but can be set to be a gateway to this pool of users. The domain address is borrowed from the local ISP and is utilized as the source from the “audio-email” membership. Transactional costs and charges are then sourced to the initiating ISP).
3. Signup would establish a listed mailbox suitable for email reception with or without spam filters. Voice initiated sign-ins and passwords or phone typed in sign-ins (numeric sequences could be drawn from the email-card and/or a address name and password) so a dual sign-in would be available.
  4. There would be, we think, an advantage to a published directory as this system would appeal to a number of persons who may change addresses fairly often. This directory could be updated and available on line to non-members who may wish to initiate contact.
  5. Normal emails come into the mailbox and are computer read to the member. They can be replied

to and it would be optional if they were translated into text or just sent as an audio file.

6. Outgoing emails are simply composed via voice as part of the standard system.
7. One major advantage of having 78,000 payphones is the ability to put the message out to payphone users. There is a natural and easy form of advertising/marketing that can transpire. Further, without too much of a leap of faith, there would be a number of phones that are located at retail stores where the email card could be obtained.

#### Disney Audio-Activity Books™ Audio-e-Editions™.

Our core technologies are particularly well suited for the quickly growing electronic books/e-learning market. A teacher can prepare lessons and lectures, using narrated or interactive, uploaded 3-D and streaming images, bringing lessons to life. Schools and individual students can watch, listen, and participate at their convenience on their own or communal computers or projected from a computer. We have begun the relationship with Disney Publications to tap into their rich content library so that books, stories, features and other materials can be sent in various formats, including a personally read “bedtime” story to children or grandchildren. Simply by calling an 800 number, a customer can read a story that arrives in the purchaser’s voice, fully illustrated, with a down-loadable coloring book and 3D art.

We at Opus One Media have focused our attentions on enhancing online or electronic books for children so that they capture some of the wonders available on the Internet.

We have transformed the concept of “electronic books” so that they include the ability to:

- Record the book in your own voice and send it as an email link to anyone, anywhere
- Stories can be artificially read in any of 23 languages with instant text change to that language (includes simplified Chinese)
- Include coloring book pages that can be downloaded and printed
- Include 3D art including 3d .wav files
- Reduction of the art to jigsaw puzzles with various difficulty levels, AND
- Reduction of 3D art to jigsaw puzzles (new to the market)

In short, any story becomes a reading, listening experience with coloring books, 3d art, puzzles and the ability to re-record the story and email it to a friend for listening.

## Cendant Agreement:

### EXHIBIT A

#### Product Description

The primary product is an electronic message (e-Mail) that is addressed by voice commands and the message is in a voice packet that contains its own player. There is voice-to-text conversion software in each packet that permits translation of any voice message to a full text rendering, text translation to any of 23 common languages, and restoration into audio message format. The messages work from any phone or voice equipped audio device (microphone, some hand-helds). Likewise, a PC device including hand-helds can initiate an Audio-e-Mail™. Our software packets translate text to voice in numerous languages. This permits e-Mail “checking” by any phone and forwarding of common e-Mail messages to any wireless audio device or any telephonic receiver.

Technically, our telephony server will be connected to digital voice T1 lines to handle inbound call traffic over TDM. The circuits would be configured with 24 channels per trunk, E&M wink, with 4 digit DNIS and full ANI. When a call comes in, the telephony server would answer, play a prompt asking the user to identify him/herself, and then expect DTMF digits for validation. Once validated, the system would prompt the user with a menu of options, including listening to email messages and sending an email message. The interface to any email system is done via HTTP GET's to our application

server, which would broker connections to a database of accounts (for validation) and control the business logic of the call flow. It is the app server that logs in to the email server, retrieves the messages, and formats them into a finite state machine for the phone server to interpret. In this way, the system is fault-tolerant and able to be load-balanced among several different identical telephony and app servers.

The app server would need access to the email servers of expected users in the same way Outlook would - so if you require SMTP authentication, we would send it. Similarly, if you only allow access from a restricted firewall zone, we would need a VPN or pinhole to that zone on port 25 and 110 if we're talking SMTP and POP3. This component is customizable and will be adjusted to fit your needs upon implementation.

The following sequence defines the intended product. The sequence is available online at:

## Message Sequence in Audio-Text-Emails OpusOneMedia.com

### Getting Started - 1

Telephone or  
PC Microphone  
Via 800 number or  
thru URL linked access

Using portions of the Websphere the user is brought into a CRM style environment and sequence. If you dial 1-877-ibm-name you can see how this simple system works.

We will enhance this by adding the voice to text feature that allows for the dictation of an email address.

\*Support for the latest VoiceXML 2.0 language specification—reinforcing the IBM strategy to promote and drive open standards and support interoperability with other products that adopt the same open standards. The strategy allows you to preserve and extend your current investment in voice server technology so that you can adapt it to WVAA. Not only will this allow you to leverage your capital investment, but it will also allow you to leverage your investments in voice application development, tooling, and knowledge base around what you already have in place.

\*A sample "Reminder" portlet is included, based on the HTML Reminder portlet included in WebSphere Portal V5. It is intended to show how Web-based applications can be designed and converted to voice applications.

\*The ability for users to select their preferred language, including U.S. English, U.K. English, German, and French.

\*Additional language support for WVAA base runtime components, configuration/administration, selected documentation, and one voice portlet. Language support allows system administrators and users to pick a voice portal language. During system setup and install of WVAA V5, a default language is selected by the system administrator; however, each individual user has the option of personalizing this language option by selecting the language they want to use when connecting to their voice portal.

### Getting into the system - 1

Developing a well scripted Customer Relationship Management hierarchy of prompts is easy as the composition of an email and the access to email sequences are universal.

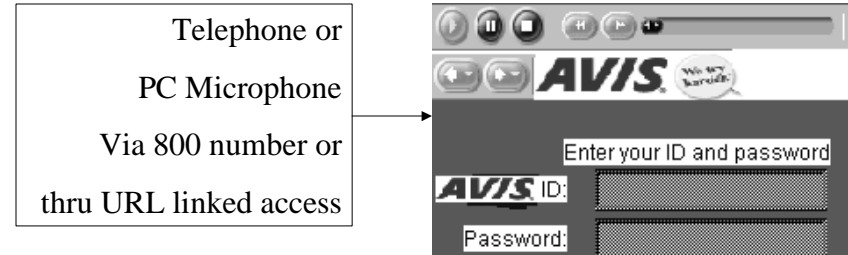
After sign-in, the prompt gives you two basic decisions:

1. Check your email
2. Compose a message



The user simply says “check mail” or “compose mail”. Check mail has the “reply to mail” feature which is essentially “compose”.

### Outgoing Messages - 1



The system must identify you in some way and the norm is by screen name (which we believe should be your normal email address) and a password that is dedicated to this system and the user establishes as an entry link to his own mailbox without divulging except in an encrypted way, his own mailbox password. You are voice prompted to enter your ID and password.

### Outgoing messages – 2a

Byobroadcast’s audio email message format looks like this and it can be replicated in a “voice only” atmosphere:

The screenshot shows a web-based form for sending an outgoing message. It includes the following elements:

- From:** A text input field.
- To:** A text input field with an "Add" button to its right.
- Subject:** A text input field with a dropdown menu labeled "--Recipient List--" and a "Remove" button below it.
- Enter Your Message:** A large text area for the message content.
- Recording Options:** Below the message area, it says "Record with either" followed by two buttons: "Microphone" and "Telephone", separated by the word "or".

From: by logging in or identifying yourself in a username/password, line should self fill

Line 2 “TO:” can be selected from a mailbox list (using IBM example) or dictated:

J o h n s m i t h @ ( a t ) y a h o o . ( d o t ) c o m (prompt “add to address book”) then the prompt: “add additional recipients?”

Subject: given in audio and sent to “voice text” for text rendition

Message: given in audio and sent to “voic text” for text rendition

### Outgoing messages – 2b

This is a sample of a message packet that is outgoing

The screenshot shows a sample of an outgoing message packet. It includes the following elements:

- From:** hdh@opusonemedia.com
- To:** hdhouse@yahoo.com
- Subject:** slogan
- Enter Your Message:** now is the time for all good men to come to the aide of their party.

At the top of the screenshot, there is a browser window showing an AVIS logo and a "New York" location indicator.

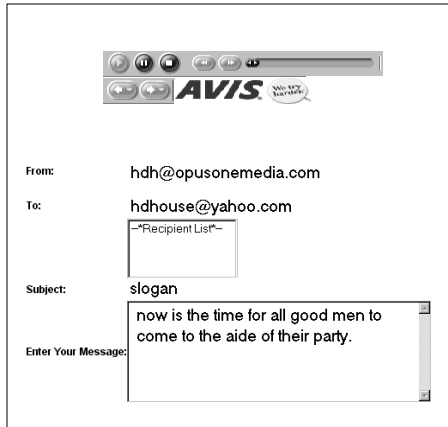
The audio components in the email message are placed into text and bundled along with the “audio packet” file.

This is a critical step as it accomplishes two purposes:

1. It permits a foundation for text to text translation and the basis for text to voice realizaton, and
2. Not all recipients are voice enabled or are at a location to receive audio messages.

### Outgoing messages - 3

The start and “send” of the message are linked to the message log and to the billing cycle.



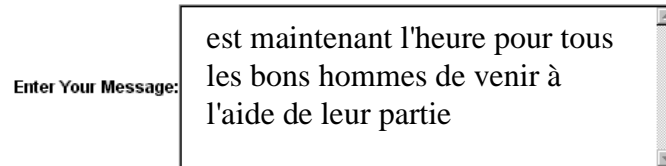
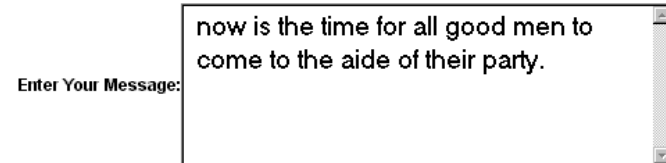
The packet is identified by sequential number created when the log in is established. Billing commences on the \$/minute basis.

Message completion (send) is noted and when the message is opened and read is also noted. The “opened and read” function should be available to the user.

A feature would be auto-contact/confirm when the message is hear or read.

### Outgoing messages - 4

The voice-to-text text box runs in background as well. It is washed through the translation service. 23 languages are available



### Outgoing messages - 5

A “real life” demonstration of this translation technology is viewable at:

<http://dictionary.reference.com/translate/text.html>

#### In English:

now is the time for all good men to come to the aide of their party

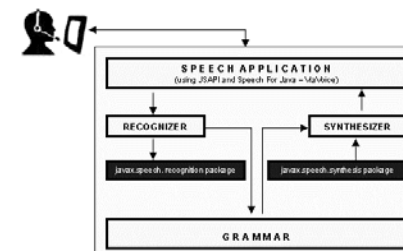
#### In German:

ist jetzt die Zeit für alle guten Männer, zum Adjutanten ihres Beteiligten zu kommen

### Outgoing messages - 6

If the translation is completed in “text” it is then a simple issue to have the “text” read to the recipient as the “text to voice” computer voice is superb. <http://www-106.ibm.com/developerworks/ibm/library/i-voice/>

**Figure 1. Workings of a speech application**



Another very important aspect of speech application is *grammar*. A grammar is an object in the JSAPI that controls the recognition process by telling the speaker what words they're expected to say and the patterns in which these words may occur. The biggest advantage of a grammar file is that it makes the recognition faster and more accurate. A sample grammar file is below.

**Sample grammar file**`grammar javax.speech.demo; public <sentence> = Welcome | Hello | IBM | ViaVoice | Java | Good Job | Thank you very much | GoodBye;`

You can add more words or sentences to the grammar file. Note that each word or sentence is separated by the "|" character.

### Outgoing messages - 7

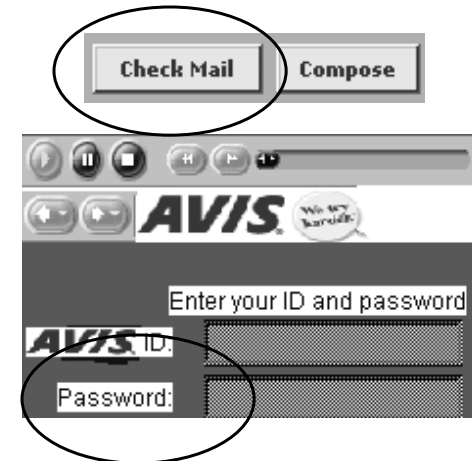
#### Outgoing summary:

Byobroadcast – audio to internet technology utilized in their audioemail application is the skeleton on which various components of the Websphere CRM tools and the IBM Java Speech API are hung.

Using purely voice commands and logical question – response structures including adherence to a well tested and refined set of logical interactions, our goal is to permit the addressing and composing of a 150 word email that can arrive in a number of languages and texts with a single message elapsed time (without correction and assuming normal speech rates) of 1 minute.

### Incoming Messages - 2

By selecting the “check mail” function, the user is started in the sequence to connect to his “inbox”. If he has signed in previously, he will be asked again for his password (security)



Incoming Messages - 3

This prompt opens your mailbox. The “title areas”  
 Sender and Subject are easily read through the technology.  
 The user is then prompted to say:

Next message, read message, reply to message, end

<input type="checkbox"/>		Herbert Strauss	<a href="#">Re: can you give me a fax to send you our current summary or do you prefer email...</a>	Fri 07/09	6k
<input type="checkbox"/>		michael.caron@cendant.com	<a href="#">Harold House (OpusOne) will be calling in</a>	Fri 07/09	2k
<input type="checkbox"/>		Diane.Matthews@cendant.com	<a href="#">RE: Please see revised notes to the low end spreadsheet (attached)</a>	Thu 07/08	9k
<input type="checkbox"/>		IBM PartnerWorld for Developers	<a href="#">Notice - IBM Evaluation Software Center is now available</a>	Thu 07/08	5k
<input type="checkbox"/>		IBM developerWorks Live	<a href="#">Confirmation: IBM dW Live Technical Briefing in New York City on July 13, 2004</a>	Thu 07/08	4k
<input type="checkbox"/>		audioemail@byobroadcast.com	<a href="#">New audio email message</a>	Wed 07/07	6k

Incoming Messages - 4

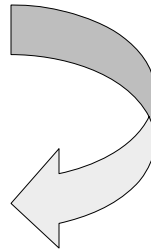
As the first item in the box is announced by sender and subject you may say NEXT MESSAGE, which ends that line and moves you to the following message. The system will also accept “next” and “skip”

<input type="checkbox"/>		Herbert Strauss	<a href="#">Re: can you give me a fax to send you our current summary or do you prefer email...</a>	Fri 07/09	6k
<input type="checkbox"/>		michael.caron@cendant.com	<a href="#">Harold House (OpusOne) will be calling in</a>	Fri 07/09	2k
<input type="checkbox"/>		Diane.Matthews@cendant.com	<a href="#">RE: Please see revised notes to the low end spreadsheet (attached)</a>	Thu 07/08	9k
<input type="checkbox"/>		IBM PartnerWorld for Developers	<a href="#">Notice - IBM Evaluation Software Center is now available</a>	Thu 07/08	5k
<input type="checkbox"/>		IBM developerWorks Live	<a href="#">Confirmation: IBM dW Live Technical Briefing in New York City on July 13, 2004</a>	Thu 07/08	4k
<input type="checkbox"/>		audioemail@byobroadcast.com	<a href="#">New audio email message</a>	Wed 07/07	6k

### Incoming Messages - 3

If you wish to “hear” a message you say “read message”.  
IBM text to voice technology merely scan reads the content.

Herbert Strauss	Re: can you give me a fax to send you our current summary or do you prefer email...	Fri 07/09	6k
michael.caron@cendant.com	Harold House (OpusOne) will be calling in	Fri 07/09	2k
Diane Matthews@cendant.com	RE: Please see revised notes to the low end spreadsheet (attached)	Thu 07/08	9k
IBM PartnerWorld for Developers	Notice - IBM Evaluation Software Center is now available	Thu 07/08	5k
IBM developerWorks Live	Confirmation: IBM dW Live Technical Briefing in New York City on July 13, 2004	Thu 07/08	4k
audioemail@byobroadcast.com	New audio email message	Wed 07/07	6k



**From:** michael.caron@cendant.com  
**To:** [hdh@opusonemedia.com](mailto:hdh@opusonemedia.com)  
**Subject:** Harold House (OpusOne) will be calling in  
**Date:** Fri, 9 Jul 2004 13:26:34 -0400  
**When:** Tuesday, July 13, 2004 9:30 AM **Where:** Your office 973.496.3442

### Incoming Messages - 5

At any time during the reading of the message you may say:

Next message, reply to message, or end.


REPLY TO MESSAGE is a voice over-ride command that simply reverses the “to and from” boxes and you simply compose your “response” in an audio message as if you were sending a new message. The outgoing “reply” is treated then as if it were a newly composed message.

**From:** [hdh@opusonemedia.com](mailto:hdh@opusonemedia.com)  
**To:** michael.caron@cendant.com  
**Subject:** Harold House (OpusOne) will be calling in  
**Message:** your audio message

## Incoming Messages - 6

If end is selected, then you will be asked if you want to:

1. Close the Inbox
2. Compose an Email
3. End the Session

**You have signed out of the Network. Your time of use  was 8 minutes. You sent 6 messages and read 5 messages in your mailbox.**

## Add on's Primary

Much is made of the ability to send text messages (stock reports, weather, breaking news, etc.) to your “hand-held” device or to your cellular phone.

With this technology, it is possible to forward any message directly to your device and if it is “voice originated” change it to text for display. More common, however, if it is text originated, it can be “changed to speech” and read to you “over your phone”.

We believe it is counter-intuitive to utilize a telephone as a text displaying screen. A phone is a phone and its primary tool is voice transmission.

It is possible, therefore, to use a phone to access webpages and have the contents “read” to you.

## Trial Test Plan, Test Cases, and Timelines

### Suggested Implementation

From date of signature and agreement (this document) we anticipate a phased implementation of the following basic service to start after about 6-7 weeks.

#### *Stage 1*

##### *1.0 Internal Communications*

- 1.1 Place the basic tools on the internal email system at Avis and Budget. From signature date, a basic audio email system will be available “locally” to your headquarters in approximately 8 weeks (our preparation of 6-7 weeks and technology linkup about 10 more days)
- 1.2 Start with corporate headquarters and expand to one designated satellite location – at this point Chicago O’Hare. We will configure the trial to accommodate approximately 800 users at the two locations.
- 1.3 The internal “roll-out” is to be determined by the IT/Marketing or other personnel at Cendant. We do suggest that as many “diverse” users are included in the trial phase so to modify the system to widest possible usage application.

- 1.4 This phase will provide us with an opportunity to
  - 1.4.01 create the proper branding backgrounds,
  - 1.4.02 learn and adjust to the environment,
  - 1.4.03 develop specific and unique vocabularies
  - 1.4.04 begin the process that will allow for the scaling to the target market area of Avis/Budget memberships – corporate and private/individual.

1.3 As Cendant sees fit, this could also be an appropriate time to start the branding, advertising, rollout planning process. The product is sufficiently flexible so that its look and feel can be sufficiently “tweaked” to the most effective fit within the broader scheme.

There are a number of things we need to know if this step is elected. If we start with the Parsippany Office and use that as a base outward to the regional and local, we need to plan around the numbers involved so we can scale appropriately and place the “offerings” into a hierarchy menu. That requires some familiarity with typical communication usage.

Note: We believe that a full internal test will take approximately 90 days from step 1.1 of placing the basic tool into your normal email system.

At that time we will have representative draft instructional documents presented, reviewed, tested in “real world” and modified per feedback.

AT THIS POINT, PER THE GENERAL AGREEMENT, A  
DECISION TO PROCEED WILL BE MADE.

*Stage 2      Preparing for roll-out to your corporate clients*

- 2.1 As a function of the eventual marketing, promotional and implementation plan, we suggest that the mutually agreed upon “menus” be determined and customized to your clientele.
- 2.2 This stage would be the “roll out preparation” period where the looks and feels would be finalized and readied for market.

We suggest test marketing to a third party of your choice.

- 2.2.01 Selection of a business partner perhaps within the Cendant umbrella. The following would be studied
  - 2.2.01.1 Decide on appropriate branding
  - 2.2.01.2 Acquisition
  - 2.2.01.3 Retention
  - 2.2.01.4 Utilization
  - 2.2.01.5 Growth/Adaptation.
- 2.3 The goal would be to finalize the backbone and prepare for roll out demand.

- 3.1 Accounting/Verification
  - 3.1.01 We currently have a full accounting system that can
    - 3.1.01.1 Track every call for source and duration
    - 3.1.01.2 Track and store every message
    - 3.1.01.3 Keep customized user records
    - 3.1.01.4 Perform billing to credit card or invoice
      - 3.1.01.4.1 Entertain an open intra-net access for Cendant monitoring and verification.
  - 3.1.02 We can link our data up with the Cendant account data and at your election can send account statements as follows:
    - 3.1.03 Inclusion in monthly Cendant Statements
    - 3.1.04 As final billing inclusion at the rental-car contract/return setting
    - 3.1.05 Independently by mail
    - 3.1.06 As part of a regular cellular phone account statement
  - 3.1.07 We can match our usage and billing to your rental/promotional agreements
  - 3.1.08 We can adjust to promotional activity (first 5 minutes free for instance)
  - 3.1.09 We can instantly credit accounts or adjust billing based on your promotional codes and contracts
  - 3.1.10 We suggest that “user cards”, like credit cards, be issued at each time of rental. They would provide the following:
    - 3.1.11 Identification codes good for the duration of the rental
    - 3.1.12 Be “keyed” into the contract at activation of rental contract

- 4 Be plastic, disposable, and single use with the option to
- 5 Become invalid at the return of the car
- 6 Be extended past rental
- 7 Be transferred to a permanent new account or new Cendant/Avis account

A typical bill or usage summary would include:

Time "in"	Address(s)	Msg length	Time out	Mailbox ✓	Duration	Total \$
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**Stage 3 Associated Costs**

- 4.1 I refer you to the "Cendant" excel spreadsheet attached. As our contracts with 800 and other similar contractors are pay as we go, these costs need to be addressed and paid first.
- 4.2 We propose that a substantial budget be dedicated from the 4.1 net revenues for marketing and promotional activities that lead to customer acquisition and retention.
- 4.2.01 We propose 40% of first net or 30.6% of gross to be dedicated to this function
- 4.3 To cover out implementation and expansion costs we propose a 20% administration fee or a 15+% first net dedication that covers expansion of the network
- 4.4 The pre-distribution net revenues figure (30.9%) is of the gross revenues and that would be equitably shared between parties.
- 4.5 In summary:

- 4.5.01 Revenues would be netted down in the following hierarchy:
- 4.5.02 Fixed third party usage costs (800 for example)
- 4.5.03 Credit card charge fees where and when applicable
- Cendant Marketing contribution
- 4.5.04 Opus One backbone expansion and enhancement (physical plant)
- 4.5.05 Equitable distribution of remaining revenues

**Timetable and Comments**

5.0 Assuming December 1 (originally May 1) agreed start; we believe we can have the internal system up in rudimentary form by February 15, 2005 (holidays cutting into the schedule) so that all of Avis/Budget personnel are in test and acceptance evaluation. This would be the Cendant core audio-email system.

- 5.1 As we work out the specific vocabulary, usage forecasts, etc., we would drop in the IBM Pervasive codes into the system to make it fully functional per the scope of the project. In prior work with IBM, we have determined that the linkage between our system and the IBM Pervasive codes are drop in and we can easily use voice/text & text/voice features within our software.
- 5.2 We believe that the translation functionality is a major component and point to the abilities of IBM to deliver this feature as a normal course of their Pervasive

functionality. We have made arrangements for the customization issues to be address by IBM and its affiliated parties.

- 5.3 We further are satisfied that this system, as currently configured can be scaled to meet the demands of perhaps a 10% daily member usage. We use this 10% figure as a rough estimate and extrapolate it based on current usage rates for those who have enhanced wireless communications and utilize a special feature associated with the device. E.g., those who have email functions on Palm devices use that function in excess of 10% as do those with photographic options on cellular phones and so forth. We admit to a certain amount of “novelty” use, particularly in text-messaging applications for example, and that, over time, usage rates reduce. However, we believe that a case can be made that this is a function of the real usefulness of the concept – that text messaging is of little inherent value and has been designed and sold merely as a way to “burn minutes”
- 5.4 We then assume we can implement the branding features (when determined) and make the “Avis/Budget” black box by May 30, 2005. At that point Cendant can begin OUTSIDE corporate market trials in preparation for product launch. These trials will give us the baseline data for general launch which we believe can happen before the end of this current year if not sooner.

5.5 The amount of acceleration will be determined in phase-in meetings and discussions where the entire project is mapped with finality. We can also build this up in stages where the system is put in “barebones” to Avis/Budget and enhanced on a regular basis until complete. This would be a series of test and learn sequences to determine feature usefulness to your particular climate.

#### Financials:

The following pages demonstrate our best-estimated financial projections, goal usage by Cendant Rental Car customers, and the basic assumptions made to derive these projections.

Further, we have included a “use of proceeds” that is over a three-month period. The financing will NOT be spent in three months. Due to “lag time” in ordering, etc., and our own very cautious projections, the last of these dollars will be spent coincidental to the push out by the joint marketing between Cendant and IBM in the Rental Car corporate client base.

There is no doubt that a second round of financing will be required to build out to projected user adoption. We project a ramp up to a potential of 3.5% of their users but have selected a low end 1.25% adoption for the sake of estimation.

Notes are incorporated on each page.



Based on Nielsen Data for Internet Usage (backed up by Forrester Research, we have taken a 10% normal daily email send and receive rate. We have also taken a timed based minutes to send or hear an email that allows for a low range composition and read rate 1/3 of recorded normal. (e.g. reading at 2 wps, speaking at 3 wps)

Cendant Goal Usage

Cendant Usage

PROJECTED NET REVENUES 1ST 18 MONTHS	\$26,633,653
Centant Rental Car Membership Population - Avis	3,900,000
Centant Rental Car Membership Population - Budget	400,000
Daily Rental Car Population	16,500
Centant Hotel Card Membership Total	900,000
Hotel Occupancy Average	7,450
Total Membership Daily Usage Minutes Avis	
Total Membership Daily Usage Minutes Budget	
Daily Rental Car Usage Minutes	
Hotel Membership Usage	
Occupancy Usage	
Cost Per Usage Minute	\$0.40
Our projected daily gross revenues (average when goal reached)	\$148,368
<b>Our Costs</b>	
Cost we have to pay to operate: 800#s, Backbone Fees, etc.	27,645
What we have to pay credit card for charges	\$7,418
Marketing/Promotion/Indirect Cost Contribution (Cendant)	\$45,322
Total of our fixed Operational Costs	\$22,661
Our support personnel when fully operational	\$5,193
What we want to re-imburse Cendant for Start-up Costs	\$4,532
What we want to put aside to start up hotel/motel program	\$4,532
Escrow for local fees that occur as part of leases	\$2,266
	<hr/>
	\$119,570
	<hr/>
<b>Monthly earnings before interest and taxes</b>	<b>\$866,391</b>

SUMMARY

Percent of					
Members Using Service					
1.25%					
1.25%					
7.00%					
1.25%					
10.00%					
Sent	Read	Minutes/ Send	Minutes/ Read	Total Min. per Day	
3	3	1.2	1	6.6	
3	3	1.2	1	6.6	
5	4	2	1	14	
3	3	1.2	1	6.6	
6	6	2	1	18	
		when we add hotel usage			
				\$249,782	

low range usage summary

Cendant Usage

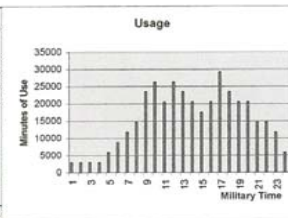
Cost to User Per Minute of Use (charge) \$0.40

VARIABLES and Projections

CAR RENTAL DIVISION		Population	% who use Daily	# of Sends per day	of Receive per day	Minutes Send	Minutes to Receive
<b>From Membership</b>							
Avis Cardholder Membership	early adopters	3,900,000	1.25%	3	3	12	1
Budget Cardholder Membership	early adopters	400,000	1.25%	3	3	12	1
<b>From Out of Home</b>		Red numbers can be changed here					
Daily Rentals		16,500	7.00%	5	4	2	1

Projections

	Daily	percentage	Quarterly	Yearly
Gross Revenues	\$148,368	of gross	\$13,538,580	\$54,154,320
FIXED COSTS (800, BACKBONE MAINTENANCE, Hardware):	\$27,645	18.63%	\$2,522,637	\$10,090,548
CREDIT CARD USAGE FEES	\$7,418	5.00%	\$676,929	\$2,707,716
First Net	\$113,304		\$10,339,014	\$41,356,056
Marketing/Promotion/Indirect Cost Contribution (Cendant)	\$45,322	30.55%	\$4,135,606	\$16,542,422
IBM/OOM/Byub Fixed/Network/Admin Costs	\$22,661	15.27%	\$2,067,803	8,271,211
Cendant Accelerated Cost Recapture (note 1)	\$4,532	4%	\$413,501	\$1,654,242.23
Joint Estrow for program expansion (note 2)	\$4,532	4%	\$413,501	\$1,654,242.23
Any localization issues/fees/revenue shares (note 3)	\$2,266	2%	\$206,780	\$827,121.12
<b>Pre-distribution net revenues:</b>	<b>\$33,991</b>	<b>22.91%</b>	<b>\$4,135,606</b>	<b>\$16,542,422</b>



Summaries		Daily	Quarterly	Yearly
Daily Avg. Usage Minutes		370,920	33,846,450	135,385,800
Peak Hour Usage in Minutes		29,206		
Avg. Individual Users/Minute during peak hour		487		
Far Off Peak Usage in Minutes		2,921		
Servers Needed Peak		10		
Servers Needed Minimum		1		

Note 1 Cendant Rental Car Division may expend \$'s prior to returns. This account is an accelerated item for 1 year only and that recoups such expenses.  
 Note 2 OGM/Cendant Rental Car Division may wish to take this program to other Cendant Entities. This line provides for a "going in" fund to defray early "pre-revenue" costs.  
 Note 3 It may be advantageous to examine local billing payment options which would then impact some Avis/Budget airport leases. This fund would be created to defray these costs and to deal with future hardware items (bar scanners for instance) that might arise in our examination of local billing options.  
 notes 1,2,3 are generalized statements and not in a terminology recommended by legal

We have broken down our use of proceeds into 12 areas as listed below. Certain expenditures are depreciated. We view these to be the “worst case” costs and we have provided in planning for the normalcy of taking half again as long and 20% more than expected.

**OpusOneMedia  
Proceeds/Use of Details**

		MARCH PROJECTIONS			
Notes:	COSTS	June	July	August	Totals
1	Implementation Cost: Programming	\$104,800	\$61,500	\$18,800	\$185,100
2	State Registrations to do Business	\$4,500	\$0	\$0	\$4,500
3	Interim Management/Operations Expenses/Compensation	\$13,950	\$13,950	\$13,950	\$41,850
4	Fixed Usage Costs to IBM/Sprint	\$13,000	\$12,000	\$10,000	\$35,000
5	Direct Costs to OpusOne	\$32,900	\$25,200	\$23,200	\$81,300
6	Materials and Promotional Pieces	\$0	\$18,300	\$23,500	\$41,800
7	Implementation Cost: ByoBroadcast Admin.	\$22,500	\$22,500	\$25,500	\$70,500
8	OOM Fixed Admin. Cost	\$21,300	\$21,300	\$21,300	\$63,900
9	Translational Software/On the fly translations	\$0	\$29,500	\$9,000	\$38,500
10	Satellite Radio Configuration	\$0	\$15,000	\$5,000	\$20,000
11	Subcontractor/Employee Costs	\$3,750	\$13,750	\$47,750	\$65,250
12	One time expenses, capital equipment, operations	\$77,400	\$41,495	\$9,995	\$128,890
	<b>EXPENDITURES</b>	<b>\$294,100</b>	<b>\$274,495</b>	<b>\$207,995</b>	<b>\$776,590</b>

	<b><u>Details:</u></b>				
1	<b><u>Implementation Cost: Programming</u></b>				
	ByoBroadcast Programming/Software Product	\$75,000	\$50,000	\$15,000	
	IBM Software Acquisition/Their Technical Support	\$14,000			
	Internet Backbone Interface (dedicated)	\$12,000	\$7,700		
	"Back office" billing/usage customization	\$3,800	\$3,800	\$3,800	\$166,300
2	<b><u>State Registrations to do Business</u></b>				
	Domestication in Massachusetts and New Jersey	\$500			
	Change Over to LLC	\$1,200			
	Various Legal (including proprietary files)	\$2,800			\$4,500
3	<b><u>Interim Management/Operations Expenses/Compensation</u></b>				
	Onsite Boston/Parsippany Technical	\$6,000	\$6,000	\$6,000	
	Office (temporary space - Boston/Parsippany)	\$1,800	\$1,800	\$1,800	
	General Travel (hotel/meals/general expenses)	\$4,000	\$4,000	\$4,000	
	Communications	\$650	\$650	\$650	
	Equipment (workstations)	\$1,500	\$1,500	\$1,500	\$41,850
4	<b><u>Fixed Costs to IBM/Sprint</u></b>				
	Sprint Partnership Fee	\$10,000	\$10,000	\$10,000	
	IBM Business Services Fee	\$3,000	\$2,000	\$0	\$35,000
5	<b><u>Direct Costs to OpusOne</u></b>				
	Webmaster/Intranet Administration	\$4,500	\$2,000	\$1,000	
	Graphic Artist I	\$5,000	\$5,000	\$5,000	
	Graphic Artist II	\$2,500	\$2,500	\$2,500	
	Software/inquisitics	\$3,500	\$3,500	\$3,500	
	Manual Construction	\$12,000	\$7,000	\$6,000	
	Documentation/Administration	\$3,400	\$3,200	\$3,200	
	Miscellaneous Operations	\$2,000	\$2,000	\$2,000	\$81,300
6	<b><u>Materials and Promotional Pieces</u></b>				
	2000-5000 runs		\$7,800	\$4,500	
	Manuals (printing)		\$4,500	\$5,000	
	Usage Pieces		\$6,000	\$14,000	\$18,300
	Prototype Membership Pieces (projected 5)				

7	<b><u>Implementation Cost: ByoBroadcast Admin.</u></b>				
	Telephony Server Space	\$8,000	\$5,000	\$5,000	
	Usage Payments for Existing Software (Piggybacking)	\$4,500	\$4,500	\$4,500	
	Code Updating and Tweaking	\$6,000	\$6,000	\$3,000	
	Microphones (Avis per spec)	\$2,500			
	Links/Spring Interface	\$1,500		\$5,000	
	O'Hare Implementation		\$7,000	\$8,000	\$70,500
8	<b><u>OOM Fixed Admin. Cost</u></b>				
	Office	\$2,200	\$2,200	\$2,200	
	Phone	\$750	\$750	\$750	
	Internet	\$225	\$225	\$225	
	PC's/Servers (we need upgrades)	\$4,400	\$4,400	\$4,400	
	work stations	\$1,500	\$1,500	\$1,500	
	insurance	\$950	\$950	\$950	
	health/key man	\$1,275	\$1,275	\$1,275	
	travel/lodging/meals	\$5,000	\$5,000	\$5,000	
	supplies	\$1,500	\$1,500	\$1,500	
	miscellaneous expenses	\$1,500	\$1,500	\$1,500	
	cash drawer	\$2,000	\$2,000	\$2,000	\$63,900
9	<b><u>Translational Software/On the fly translations</u></b>				
	Common language software		\$22,500		
	IBM Interface support		\$5,000	\$5,000	
	Our programming/Server		\$2,000	\$4,000	\$38,500
10	<b><u>Satellite Radio Configuration</u></b>				
	Basic Platform Clone		\$12,800		
	Security Software		\$2,200	\$5,000	\$20,000
11	<b><u>Subcontractor/Employee Costs</u></b>				
	Legal	\$3,750	\$3,750	\$3,750	
	Patent			\$12,000	
	Roll Out Implementation		\$10,000	\$32,000	\$65,250
12	<b><u>One time expenses, capital equipment, operations</u></b>				
	Dragon Naturally Speaking Server	\$63,000	\$31,500		
	Assorted IBM Software (via voice, etc.)	\$14,400			
	Upgrades and Patches		\$5,000	\$5,000	
	Blackbox Servers for Site		\$4,995	\$4,995	\$128,890
	Totals:	\$294,100	\$274,495	\$207,995	\$776,590

Summary:

Our intentions are to take only a percentage of projections in every category. For instance, normal user adoption rates for a new program are an expected 3.5%. For current memberships adapting to an “add on” it is roughly twice that. We selected 1.25 as a low end.

Each aspect of our utilized technology has at the very minimum 5 years of actual product experience so that there are virtually no “new” moving parts. Certain technologies, in particular IBM’s overcoming environmental noise and ScanSoft Naturally Speaking software that learns over time, have progress dramatically over the 4 years since this product idea was first proposed.

Our technology is sound. The market is assuredly there as we have a go to market agreement and are not searching for potential users. Our secondary market applications are current and topical. We have explored them in depth and have an understanding of the value proposition.

Our management and technical staff are first rate and ready to finish.

We await your affirmative response to these materials.

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