

-----Original Message-----

**From:** [David.Colter@warnerbros.com](mailto:David.Colter@warnerbros.com) [mailto:[David.Colter@warnerbros.com](mailto:David.Colter@warnerbros.com)]

**Sent:** Tuesday, January 15, 2002 8:05 AM

**To:** Eliot I. Bernstein

**Subject:** Fwd: iviewit -- FOR YOU ONLY!!!!!!!!!!!!

FYI -- FOR YOUR EYES ONLY

In a message dated 1/14/2002 9:51:08 PM Pacific Standard Time, [David.Colter@warnerbros.com](mailto:David.Colter@warnerbros.com) (DColter0264) writes:

Subj:**iviewit**

Date:1/14/2002 9:51:08 PM Pacific Standard Time

From:[David.Colter@warnerbros.com](mailto:David.Colter@warnerbros.com) (DColter0264)

To:[John.calkins@warnerbros.com](mailto:John.calkins@warnerbros.com)

CC:[CHuck.dages@warnerbros.com](mailto:CHuck.dages@warnerbros.com), [Alan.Bell@warnerbros.com](mailto:Alan.Bell@warnerbros.com) (ABell0648)

Sent on: AOL 6.0 for Windows US sub 10551

John,

In all the review we have done with iviewit it seems to boil down to the status of the patents and their inherent value. At that point it is a risk-reward evaluation -- without awarded patents it is difficult to completely assess the value. I would suggest that we consider one other perspective...

Prior to iviewit (approx Feb 2000) the video we (WB Online) delivered on the web was QCIF (160x120) or smaller and was below full frame rate. At the time of our first meeting we also identified On2 along with iviewit as two solid players who could deliver full screen full frame rate web video. All who saw it were impressed. Greg and I visited iviewit in August and reported back that they had filed patents on scaling techniques that hinged upon a visual 'trick' which allowed the human eye to accept 320x240 video scaled to 640x480 at 30 fps as close to VHS quality. We checked with Ken Rubenstein and others who provided some solid support for iviewit, and Chris Cookson asked Greg and I to continue to work with iviewit in an R&D capacity.

In the fall of 2000 iviewit also met with a number of folks at WB Online (in September and October) and demonstrated their process and techniques to Sam Smith, Houston, Joe Annino and others. Sam contacted iviewit a number of times and requested the patents, along with specifics of the iviewit process to evaluate

what they were doing. I was not part of these meetings, but was aware they had occurred, as Jack Scanlon kept me up to date.

When I sat down with Morgan and Houston in March 2001 to see what technology they were using to encode video, it was clear that they were using some of the techniques that would overlap with iviewit's filed process patents (still pending), but it is not clear that these were all learned from iviewit -- we may wish to explore this a little. This meeting was to determine what equipment we would get for our lab at 611 Brand. This same information was also provided to iviewit by Morgan as they were establishing the company as an outsourcing facility for encoding our content.

I am aware of several meetings held between iviewit and WB Online to share information of techniques and process, and was invited to a few of them.

We all signed iviewit's confidentiality agreement. So to the other perspective...

We have an opportunity to establish a license with iviewit for a modest fee at this time, and establish a MFN. In good faith we signed the confidentiality agreement, iviewit revealed their processes and techniques, and we now use those techniques in encoding. As we have discussed on a few occasions, these techniques now appear in the public domain to some extent in documentation for Real Producer, WMP Developer Guides, Media Cleaner Pro, etc, but they were not available in 2000. I would not suggest we learned the techniques completely from iviewit (I actually do not know the answer), but a modest licensing fee may be appropriate and honorable considering our good faith relationship in signing the confidentiality doc.

If we choose to pass at this time the risk is primarily from iviewit's main investor, Crossbow Ventures, gaining control of the IP and approaching WB later for a license -- I do not believe they will be as friendly considering their dealings with iviewit and its employees since Feb of 2001. It is estimated that the patents will be completed in 8-12 months.

As you are all aware I have a personal relationship with Eliot Bernstein, the founder of iviewit, and as a result, I left the evaluations and decisions to Greg, and others, and only assisted iviewit to get to the correct people in WB and AOLTV. I wanted to add this perspective as we consider if there is an option to pursue with iviewit -- they are facing continued financial pressure right now. There are many other threads to our interaction with iviewit and I would be happy to discuss.

Thanx,  
David

**From:** Powell, Hank [HPowell@cb-ventures.com]  
**Sent:** Thursday, January 17, 2002 10:27 AM  
**To:** 'PSLamont39@aol.com'; 'res0bf4a@verizon.net'; 'bill@kasser.com'  
**Cc:** Warner, Steve; Patten, Mark; 'dwuersch@wg-law.com'; 'mberenson@wg-law.com'  
**Subject:** FW: Today -- iviewit

Stephen, Thanks for the telephone conversation with Mark and I today. I look forward to details of the January 21<sup>st</sup> court date with Proskauer Rose later today. In the meantime, I found the first reference in email which I received from Warner about the introduction of the company to the AOLTW investment committee, of which Heidi Krauel is a member. Please keep us informed as soon as anything tangible happens. I reiterate my need for direct communication with AOLTW to ascertain the likely outcome with respect to investment or current revenue opportunities. Thanks, Hank

Hank Powell  
Managing Director  
CrossBow Ventures  
One North Clematis Street  
Suite 510  
West Palm Beach, FL 33401  
tel. 561-838-9005  
fax 561-838-4105  
email HPowell@cb-ventures.com

-----Original Message-----

**From:** David.Colter@warnerbros.com [mailto:David.Colter@warnerbros.com]  
**Sent:** Thursday, August 02, 2001 1:28 AM  
**To:** [HeidiKrauel@aol.com](mailto:HeidiKrauel@aol.com)  
**Cc:** HPowell@cb-ventures.com; Eliot@iviewit.com  
**Subject:** Re: Today -- iviewit

Heidi,

Here is the info for Hank Powell from Crossbow Ventures. I have copied him above to make the introduction.

iviewit has undergone a restructuring of their business from an encoding focused business to a technology licensing business focus over the past 4-5 months. They are in the process of establishing a new executive team to handle this 'new' direction and have been working on the new business plan. They have indicated that we should have the revised plan next week.

They currently are finalizing a contract with WB Online to provide encoding services as a hold over from our original collaboration, and as a showcase for the technologies and patents.

Their site [www.iviewit.com](http://www.iviewit.com) contains good demonstrations of the zooming and video encoding technologies. I have also copied the inventor/founder Eliot Bernstein, who I will ask to provide some specific links on the site to see the best representation of their work and technical capabilities.

Their patents are pending, but have received favorable opinions from people such as Ken Rubenstein on the merit of the patents, as well as thorough review by Greg Thagard and myself.

Let's talk further after you see the business plan and connect with Hank.

Thanx,  
David

Hank Powell