Mr. Floyd,

I trust you recall your conversations and email exchange, below, a little over two years with Eliot Bernstein, the Founder of Iviewit (“Ivt/EB”), and Inventor of significant pivotal video streaming and imaging technology inventions. I also understand that, at that time, you had come to him seeking his help regarding Patent infringement claims filed against you by Attorney at law Raymond Anthony Joao and Joao Bock et al, LLC.

Despite the passage of time since then, this matter has not gone away as Mr. Bernstein has been seriously distracted by the consecutive death of both parents, compounded by ongoing extreme intra-family Estate issues. What’s more, he has expended considerable time reviewing and analyzing the long and complicated background that led to you prior contacts and respond to your request for Settlement. Moreover, he has concurrently strengthened his position by continuing to evaluate ongoing and new infringements and by allowing the many IP infringement, SEC and RICO violations to broaden and further ripen.

Correspondingly, I am the principal of RTH Associates, Inc., (“RTH”) an Investment Banking Boutique, and an Attorney, based in South Florida, in close proximity to our Client. Bernstein has engaged us to investigate and evaluate the best means of protecting his Intellectual Property Portfolio by facilitating the pursuit of serious IP infringements and violations by several significant companies, including ATT, of a variety of contracts that were signed. In that regard, Bernstein has ample evidence of the role and commitments made by former CEO, Armstrong, as well as several others at ATT..

For the record, I also worked at Iviewit in its early stages in the early 2000’s, serving as CFO and Acting COO, and I witnessed several of those early undertakings including the execution of NDA’s and License Agreements, all of which have been violated, leading to the current issues and opportunities.

Clearly, I am aware of several public and private companies that pursue IP monetization, and there are myriad, competent IP law firms also eager to the task.  However, our assessment is that we may be most opportunistic, in the good sense of that term, by engaging with a proper collaborator, albeit infringer – perhaps ATT - where involvement for and with the right partner could be disruptive, dramatic and constructive, while obviously removing the threat of liability exposure. Meanwhile, you and we are all aware of the active quest for added technology IP, whether by Google, Face Book, M/S and others, as just a few recent examples.

It is RTH’s sense, but more importantly, the Inventor’s contention, that almost all digital imaging and video hardware and software use these scaling techniques and IP, across a wide array of businesses in digital content creation and distribution.  Consequently, the markets are now ripe for enforcement and licensing opportunity with infringers, where, for well over a decade, this IP has now been thoroughly integrated into the entire world of digital products ranging from chips, to servers, to televisions, cell phones with video, videoconference, social media, medical and military devices, etc.

I have reviewed your previous correspondences with Bernstein and also discussed your extensive conversations with him, from his notes and records. I also understand that by the time of your last exchange with Mr. Bernstein, you already had investigated much of this particular IP history, and, clearly, you either already know, or can easily discern the extent to which ATT has benefitted from the use of Bernstein’s IP. I have also seen your request [below] inviting definition of a Settlement Proposal/Opportunity, and Mr. Bernstein is now prepared to proceed to negotiate agreements and licenses, including specifically and strategically aligning with an infringing party, offering relief from civil liabilities to that party while also providing First Mover Advantage to that party in pursuing broader IP infringement claims, SEC violations and RICO charges, committed by several significant companies and totaling $Billions.

Many companies are aware of their past and current infringement of the Ivt/EB inventions and their status as Defendants in the RICO and ANTITRUST actions he filed. Given that the IP can be licensed prior to final approval, while still in a “pending” phase, we predict that the time is ripe to move forward in allowing parties to settle claims of their infringement with Ivt/EB and remove themselves from the Bernstein/Iviewit RICO and other actions and potential criminal liabilities, in exchange for a fair and reasonable license fee, both for past usage and going-forward use. As you likely also know, the Pending Intellectual Properties are under “suspension” by the USPTO as a result of perceived alleged fraud upon that Office by others who attempted to pirate and pursue this IP.  We are acutely aware that Intellectual Properties do not need to be in the form of issued Patents to pursue our claims.

ATT has been using the Iviewit inventions see <http://iviewit.tv/CompanyDocs/Appendix%20A/>, numbers 24-37 of Contract Violators for well more than a decade now and it has profited AT&T in billions of dollars annually and helped your companies penetrate new markets. We are proud to have helped AT&T reach new, unprecedented levels of profit from them and look forward to working towards an amicable settlement in response to your earlier request.

As indicated, our current business strategy is to explore partnering with a lead licensee who would .pursue all International Patent, Copyright, Trademark and Trade Secrets claims of Ivt/EB. In taking this approach, we would apprise you that there is a significant body of Non-Disclosure Agreements, Licensing Agreements and other contracts - approximately 200+ - with leading Fortune 500 and 1000 companies, signed between major companies and Iviewit and EB that can be leveraged.

If ATT would be a suitable partner, while dropping a claim for a significant percentage of the company as Mr. Bernstein proposed in the past [he actually was serious!], we would be seeking license fees, in the $100’s millions, enabling ATT, as lead licensee to pursue the prior 10+ years of past infringement, plus appropriate annual licensing fees going forward.  Given that these technologies are and have generated extraordinary revenue for these companies for this lengthy period which actually reaches back as far as 14 years, this is a very rational and actuarially sound settlement offer to mitigate and avoid potentially crippling liabilities, both civilly and criminally. However, ATT may not wish such a comprehensive and active role in the IP, in which case we are also prepared to suggest a Settlement by offering three alternative structures, while one Option moderates Mr. Bernstein’s claim for a significant Equity Stake in ATT:

**Option 1** – **Specific Infringement Settlement**

* $200 Million, non-negotiable, for past use, plus $20M yearly going forward as long as this IP remains in use.
* ATT would receive or realize:
	+ Release from Liabilities
		- Lawsuit Liabilities – Removal from RICO - Portion of 1 $Trillion total RICO removed from liabilities of ATT, including the role of former CEO Michael Armstrong in this history and timeline.
		- License Liabilities – 14 years of past royalties [initial provisional apps were filed ‘98-‘99] due across relevant product lines will be settled in full.
		- Civil Complaints – Notice that ATT has settled Civil Charges with Ivt/EB.
		- No further Criminal, Civil or Ethical Complaints to be filed regarding this nexus of events against ATT that occurred prior to any settlement.

**Option 2 – Partnership Arrangement**

* A significant License fee for past and future use, such as the $200 million cited above, for the past 14 years of use, plus $20 million per year for future use.
* A *significant* Equity award in ATT stock, TBN.
* Complete forgiveness for the role of ATT/Armstrong
* A NewCo to be formed in Partnership for all licensing of all techs with royalty share with AT&T; specific terms and percentages TBN

As this would be first IP settlement for license, the higher the license fee that is struck with AT&T, the higher the precedent set for next licensees resulting in more collected for both parties - ATT and Ivt/EB. In our view ATT should want to set an historical precedent licensing fee on this first settlement and conveyance of IP interest, based on how much infringing companies grew in all markets, so that this same royalty fee logic and formula will be applied to all future licensees, and thus set the strike price with other infringers at maximum pain.  This is not intended to be brutal to AT&T as it would really increase the recovery returns in the ongoing process – i.e., the more ATT pays Iviewit Bernstein, the more others should. The amount of equity paid to Iviewit could be paid out over several years making it a small annual amount, while providing licensing fees that far surpass this amount annually.

**Option 3 – Full Ivt/EB IP Buyout**

* Pay a monetary amount TBD, whereupon and all IP will be sold and transferred to ATT.

Without meaning to sound cavalier, I am an active student of ATT and its industry, and I am quite aware that your Client knows how to both take risk and invest, whether considering the nature of the aborted T-Mobile Acquisition; the T-Mobile Break-Up Fee, the proposed purchase of Direct TV, or the currently reported interest in investing outside the United States, likely in Europe, whether Vodafone, Orange or others. Obviously, by Verizon consolidating 100% ownership of Wireless for $130 Billion, plus the pressure from T-Mobile on pricing; the possible, if not likely consolidation or Sprint and T-Mobile, your industry appears in flux, and ATT could benefit from new initiatives. Thus, controlling the Iviewit/Bernstein IP might positively enhance ATT’s acquisition or other growth and defensive efforts.

If you develop ongoing interest in any of this proposition, I would suggest a Non-Refundable Binder Fee, of $10 million, be deposited within 7 days, giving ATT 30 days, and exclusive rights to negotiate in good faith and finalize a transaction. Upon receipt of your positive response, om we will be represented by appropriate, competent Counsel.

Of course, it goes without saying that neither proper exposure, nor full justice, can be given to this situation and opportunity in the absence of a face-to-face meeting.

Respectfully yours.

**Raymond T. Hersh**

**Raymond T. Hersh**

**President**

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**From:** Adam Floyd [mailto:AFloyd@fblawllp.com]
**Sent:** Wednesday, April 11, 2012 12:47 PM
**To:** Eliot I. Bernstein (iviewit@iviewit.tv)
**Subject:** Settlement Offer

Before taking your settlement offer to my client, I want written confirmation (email is fine) to the terms.

Here are the terms you have offered:

* 33% of the value of all of AT&T’s stock;
* a license to all of Iviewit’s technology including any and all patents that may issue;
* a dismissal of all existing claims against AT&T;
* a covenant not to sue AT&T or F&B;
* a convenant not to file any complaints against AT&T, F&B, or an of their attorneys to the state bars, PTO bar, or any other agency.

Please let me know if this is correct.  I would also strongly encourage you to provide a realistic number, if you actually are intending to resolve all issues you have with AT&T.

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