

From: <BJR509@aol.com>
To: <DThompson@proskauer.com>
Date: 12/20/99 4:49pm
Subject: Re: Draft Consulting Agreement -Reply

In a message dated 12/20/1999 4:05:05 PM Eastern Standard Time, DThompson@proskauer.com writes:

<< Hi Bruce, I'll try and look at by tomorrow afternoon, but it may be Wednesday before I can address it with you. Best regards. >>

OK; sorry for the short notice. The originator, who sent it to us today, wants a response by Wednesday. Maybe KSR can speak with you Wednesday morning if tomorrow doesn't work. Please let me know.

I think what we are looking for from you is some guidance on what areas are potential pitfalls. We will then come back to e-Style (our prospective client) with amended terms. Once we come to some agreement with them we likely will need you to do some wordsmithing.

I should note to you that we propose excising the "financing" part of the engagement compensation and substituting a "finders fee". StyleBOX has already retained an investment banker for financing purposes. KSR might introduce a counterparty but that would likely be the end of our involvement with financing activity.

Regards,
Bruce

12/23 cc with Sy and David Bernstein and

1. David Bernstein

2. Would buy 1% of David's stock for
250k for a note or loan

1) There will be a loan which
matures after the capital gains
percent

- note is nonrecourse

- secured by stock

2. Furniture deal

a. Make the change to the payment journal
of the Note and send it out

3

- potential claim. Later Board
meeting that approves of his keeping
all of the shares.

11. Consider disclosure issues if he sells and
the impact on value $\$7.5$ million

condition was met

b. Gustaf has since said there was fraudulent inducement. Failure to disclose an arrest and conviction.

a. Arrested 23 years ago for solicitation of a prostitute.

- His lawyer settled it for a nominal fee which he didn't

b. Had been sign something a couple of weeks ago. (Stock issued 1/12/20)

9. Merger

a. Must obtain fully of \$7.5 m @ 7.25 per share
2/28/2000

- this is a precondition

b. Shareholder Approval occurred in Nov 24th

10. His 20,000 shares

- at time issued to him there was some expectation that some of his

shares at least to be liquidated

5 Share Ownership

485,000 total outstanding as follows:

200,000

Roy

174,000

Other Board Members (5 total)

96,000

Third Parties. (including 84,000 shares from

15,000

Roy's friends (Ken Waggoner) Coin

Company is trying to take back his options

These are issued to all Board members and have various vesting requirements

There are also stock options outstanding primarily to officers by request of the Board. Most are at \$10.

- All of the options are contingent on an IPO or merger/sale of the company

6. Board members

1) Rick Williams - Dean & Bendish background and a shareholder

2) Ann Bond (wife of Bill Bond)

3) Tom Stafford

4) Steve Norton

5) Roy

7. Disputes

a. Issued 200,000 shares but can only vote 20% of the outstanding (\approx 97,000)

- vests upon a "funding only"

- no written agreement on this.

* Probably not enforceable

12/21

Gary Sheppard and Ivan Fischler
Matt Tuzys and Howard Coates

- 15 years in Ronald McDonald Foundation
- heavy non profit background

A. History of Viatumix

1. Virtual colonoscopy. Cat scan in lieu of an invasive procedure. Creates a 3D image which can be viewed in

See Markuby materials

2. SUNY licenses the technology to the company
 - there is a disputed patent issued in 95
 - litigation is now ensuing on the topic
 - Bill Bond

3. Corporation has rights to the patent
 - patents are owned by 2 individuals
 - M.D.
 - Genam Coin, was involved and assigned it to 2 individuals Bill Bond and Tom Stanford

4. SUNY has a better patent

A.

① ④ revenues ruling assume a formation under 708 of the Code. We just specify that the transfer does not result in a formation, but only

② Keep iView.com.LLC in

B. iView.com. Inc

1. Liquidating Distribution would be taxable unless a reorganization

Proposal letter - $\frac{5}{8}$ to $\frac{11}{9}$ in the piece

- Sale and lease
- structure

- rental payment

- at end of term Pitney takes the equipment back (mandatory purchase)

- we will look at the numbers

→ therefore call Annan early afternoon

- try and stick to our firm

Sha Pwov

- send proposal and attach the doc

- St David's - in ~~St~~ San Antonio, Mexico

505 - 988 - 4455 Phone

505 - 775 - 4544 Fax

12/21 do with Brian Utley

* Document
Integrate

Questions for Brian Utley

1. ECP - See the fax itself
- he is inclined to take the business risk on integration

2. Revy

a. Ad vs Fla

- Franchise fee/tax

b. Consent issues

c. Wblaw.com - Shareholders and members issue

d. contribution of Class A/Class B. Concept?

3. off doc

a. Business Asygn)

Yes, keep it place

b. Financial Statements)

Keep out until

4. Preliminary Term Sheet

the new year.

Earliest would be

Send it to

Mar Epstein

(get fax)
by calling that
number

310, 553,
0305.

Mid January before
audited #'s could
be available

* 25m. the
offering
will occur
5 to 6 m. this
during the
week

audited
financials

he understands
this and
doesn't want
to use the
for this purpose
sincerely.

Limitation on use of ECP ~~for~~ for negotiations

ok a. Fees for consultant introductions
3% Flat fee

ok b. Confirm introductions to date by ECP

PROSKAUER ROSE LLP

12/28 Ok with Brian Utley

.5

As Business Points:

✓ 1. Impact of Warrant to a Non-accredited investor
de a. Integration Rules. Reversion Risks on subsequent deals.

de b. Need for a full scale offering memorandum
- time and expense issues

✓ 2. Go over Pricing of the initial Warrant
de - increased from \$15 per unit to 16.67 per unit so that it is not less than Hertz and reduced the \$2.50 warrants by a corresponding amount to 30.83

✓ 3. Termination and Vesting
de - eliminated the 90 day requirement for termination so as to make consistent with Grantor

de - if we terminate, however, he wants to accelerate the vesting.

Law Offices

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Lakaland	St. Petersturg
Melbourne	Tallahasace
Mexico City	Tampa
Miami	Washington, D.C.
New York	West Palm Beach

FACSIMILE

TO:

Hank Powell (561) 838-4105

NAME FAX#

Rocky Thompson (561) 241-7145

NAME FAX#

NAME FAX#

NAME FAX#

NAME FAX#

NAME FAX#

NAME FAX#

NAME FAX#

FROM:

NAME TELEPHONE NUMBER

George A. Villasana (305) 349-2181

TOTAL PAGES TRANSMITTED (Including Cover Sheet)
12

MESSAGE:

Please see attached. The changes marked on the term sheet have not been reviewed by our client and, therefore, such changes are subject to his approval.

If you did not receive all of the pages or find that they are illegible, please call(305) 789-7584

CONFIDENTIALITY NOTE

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FOR THE RECORD:

DATE: February 2, 2000

URGENCY: SUPER RUSH

FAXED BY:

FILE #: 222222-22222

CONFIRMED: YES NO

MLA1 #905942 v1

iviewit

PENDING MATTERS
(last updated December 22, 1999)

<u>Item</u>	<u>Status</u>	<u>Attorney</u>
1. Generic Web Site and License Agreement	sub. complete	GC/MR
2. Furniture Purchase	Drafts distributed to client	GC/MR
a. Purchase Agreement		
b. Convertible Note	modify prepayment	
c. Security Agreement		
d. Subscription Agreement		
e. Corresponding Issuance to iviewit LLC	in process	
i. InterCompany Agreement		
ii. Managers Consent		
iii. uvieuit.com Board Authorization		
3. General Securities Issues		RT/GC/MR
a. Securities Integration Issues		
b. Blue Sky Authorization Issues		
c. S Corp Issues & Right of First Refusal		
d. Corresponding LLC issuance, as applicable		
e. Private Placement Memorandum		GC/MR
i. Nonaccredited Investor impact		
ii. Audited Financials		
f. Explanatory Memorandum	copy to client	RT
4. Conversion of Huizenga Loan	In process	RT/MR/AL
a. Execution of LLC Agreement	Drafts given to	
b. Execution of Subscription Agreement	Cris Branden	
c. Amendment to LLC Agreement		
i. Written Consent of Board of uvieuit.com		
ii. Written Consent of Class A Member		

Legend:

Rocky Thompson - RT
Gayle Coleman - GC
Mara Lerner Robbins - MR

Spencer Romoff - SR
Ira Akselrad - IA
Chris Wheeler - CW

- | | | |
|---|------------------|----------|
| 5. Potential Restructuring | in process | CW/RT/SR |
| a. Memorandum re same | completed | RT/SR |
| b. Tax Considerations | | SR |
| i. Downstream Merger of uview.com
and iviewit holdings | | |
| c. Choice of State Law | | |
| i. Florida v. Delaware
Franchise tax issues | | |
| d. Transaction Steps | | |
| - See separate checklist on this matter | | |
| e. Timing issues | | |
| i. K-1s and losses | w accountants | |
| 6. Gruntal & Co Offering | monitoring | |
| a. Engagement Letter for \$2M to \$10M | | |
| i. Exclusivity Provision if successful | | |
| b. Side Agreement with Eliot Berstein | | CW |
| 7. Jenex Financial Services | | MR |
| a. Termination letter | | |
| 8. Emerald Partners | in process | RT/MR |
| a. Financial Consultant Agreement | | |
| 9. Potential Offering to Existing Shareholders/
Members | under discussion | CW/RT/MR |
| a. \$500,000 | | |
| b. Limited to Accredited Investors | | |
| c. Look at separate exemption basis | | MR |
| d. Alternative to WebCast deal | | |
| e. Contact persons at Co. is Guy and Maurice B. | | |
| f. Preliminary Term Sheet | to client 12/22 | RT/MR |
| 10. Essex Private Placement | in process | GC/ML |
| a. Darrel Crate - \$1m | | |
| b. Essex Investments - \$4m | | |
| c. Terms | | |
| i. 20% of Co. for \$5m (including
Emerald Warrants as outstanding) | | |

ii. Voting Interest in iviewit LLC

11. WebCast	in process	RT/MR
a. Letter of Intent	complete	
b. Confidentiality Agreement	complete	
c. Equity Investment		
d. License Agreement		
12. InterCompany Matters	in process	
a. InterCompany License	sub. complete	MR/GC
i. Coordination with Generic Web Site Agreement		
13. uviewvideo.com/Doc McGhee	in process	RT/CW/MR
a. Organizational issues on uview video		SR/IA
b. Doc McGhee participation interest		
i. 30% of new entity		
c. Background Check on McGhee	received and distributed	MR
d. McGhee Finder Commission and % of revenues from pay-per-view of recorded musical acts		
e. Letter of Intent	yet to start	
14. Work for Hire Agreements	copies to Brian U.	RT et al
a. Jude and Zack		
b. Memo re same and immigration		
15. Immigration Issues	in process	Ron Storette
a. Jude and Zack		

DONALD E. THOMPSON, II
PENDING MATTERS
DECEMBER 22, 1999

<u>Client</u>	<u>Status</u>
17. Ronald Bizick a. New business ventures (i) Noncompete issues	in process
18. Hammond Estate a. Stock issues b. Potential sale of stock	Monitoring w George K
19. Royal Companies a. Shareholder Agreement issues	in process
20. Aura Group a. Potential Acquisition of Stuart Jet Center b. Letter of intent	monitoring w CCW awaiting execution
21. Careers USA a. Organizational Matters involving LLC	sub. complete w Mara
22. Firm a. Corporate Paralegal Manual b. Form Files (i) Leisure & Resorts (ii) Medical (iii) Corporate (iv) M&A (v) Computer Hardware & software (vi) Securities	Substantially complete Ongoing

cc: Albert W. Gortz
Christopher C. Wheeler