



MEMO

To: To Whom It May Concern
From: IPEG Consultancy B.V. (The Hague, Netherlands)
Date: April 2007
Re: IP Structured Finance - IP Suitability Questionnaire

Below we address questions and issues that need to be considered before entering into an IP Structured Finance deal.

Such as:

- What are the expected annual revenues from licensing and other contractual arrangements?
- What historical revenue numbers are available to support these future projections?
- What is the term over which these revenues are expected to be received, and will they diminish or increase over time?
- Please provide a pro forma schedule showing these projected revenues over the expected term of receipt
- Please identify the licensees or other obligors which will be responsible for these revenues, and show how the revenues shown on the pro forma are allocated among these various licensees/obligors
- Could you provide a brief summary of the licenses or other contractual arrangements under which these revenues are payable, including, inter alia, for each,

- i. the term,
 - ii. whether any minimum annual revenues are due (irrespective of licensee revenues),
 - iii. how royalty or other payments are calculated,
 - iv. whether licensee/obligor or licensor is responsible for enforcement of IP protections,
 - v. whether licensee/obligor has any termination or offset rights,
 - vi. whether your company has any continuing obligations to perform under the licenses/contractual arrangements, and
 - vii. whether your company's rights under the licenses/contractual arrangements are assignable without the necessity of the licensee's/obligor's consent.
- Does your company have a business need for
 - i. increased liquidity, and, if so, the desired amount,
 - ii. reportable revenue for financial statement purposes,
 - iii. transferring IP obsolescence risk to the capital markets, or
 - iv. refinancing of existing debt?
- Does your company have any rated debt outstanding and, if so, what is the rating?
- What is your company's current borrowing cost, i.e., what is the interest rate on existing bank or other corporate debt, and is the debt bearing interest at a fixed or a variable rate?
- If your company has existing debt,
 - i. what financial covenants are imposed on the company under the debt,
 - ii. what assets of the company are pledged to secure the debt,
 - iii. is the existing debt full recourse to the company, and
 - iv. is the existing debt prepayable with or without a penalty, and if there is a prepayment penalty how is it calculated?
- Briefly describe the IP of the company, including
 - i. a discussion of any competing technology or pending or threatened challenges to the company's patents or other IP,
 - ii. a listing of the jurisdictions in which the company has filed for protection and the status of those filings, and

- iii. the remaining lives of the patents or other IP protection.
- Who are the principal competitors in the areas of the company's licensed technologies?
- Are the royalty payments and other contractual revenues payable in US dollars, Euros or other currencies?

Netherlands

April, 2007