

Anti-Piracy

Dear Sirs

Re: Business proposal - Combating piracy on peer to peer networks

APMC (Anti Piracy Management Company) has now been active several years in relation to unlawful file sharing of copyright material being carried out on the internet. We currently act for various clients, both in the UK, Germany, Asia, US and abroad, in respect of film, computer games and music titles. Of course, any copyright material can be subject to file sharing and the infringers pursued.

Evidence

The evidence is compiled by using IT experts who are based in Europe and the United States. They have the equipment to monitor, twenty-four hours a day/ 7 days a week, various file-sharing and BitTorrent websites for infringing usage. All the detection systems employed are verified by an independent court expert's report. Specific copyright titles can be tracked and the results limited to title.

Once the evidence is gathered, it is sent to the law firm in the jurisdiction in question so it can prepare an application to court for a disclosure order against the ISPs. Then the names and address relating to the IP addresses identified can be acquired. The ISPs (internet service providers) are entitled to charge their reasonable costs of complying with the order. The infringers are then written to and a demand for payment of damages and costs is made (together with the ISPs' costs). This can be in an amount of the client's choosing (within reason), subject to our guidance figure of around \$1,500. If payment is not forthcoming, proceedings are then commenced to obtain an order from the court, which can then be enforced against the infringer, if necessary, and also sent to other infringers, *pour encourager les autres*. (in order to encourage the others).

What are the prospects of success?

Ordinarily, we usually claim from each infringer an amount (depending on the copyright work involved) which is not unduly excessive, the aim being for the infringer to experience receiving an expensive, but affordable, "parking ticket" for his or her misdemeanor. We have found from our own experiences, and those of our German counterparts, that on average, around 25% of the infringers pay up after receiving our letter. Given we can handle a large number of addresses at any time (if the requisite number of "sources" are available), the deterrent effect (and revenue collected) can be quite substantial. Up to a further 10% tend to pay up once they have had their questions answered. We then commence cases against those who continue to default.

In Germany and in the UK, there have been test cases to establish the position in relation to specific defenses that infringers have raised and these have largely been successful. We are now embarking upon some in the US in order to produce the judgment mentioned above.

What are the benefits and costs?

Because of the way in which our IT experts provide the evidence it makes matters very cost-effective for the client. Not only does the client benefit from making it publicly clear that its copyright is not to be illegally exploited, it also dramatically reducing piracy of its products because of the deterrent effect created. There is usually a financial benefit from bringing the actions, for no initial outlay, which is obviously one of the main benefits of the program.

EXHIBIT B

Our proposal

Court orders

Our partner law firms have already been highly successful in obtaining a large number Court Orders. We are seeking to develop our network to enforce our client's copyright US-wide. As a result of this, full support will be provided to our partner law firms in terms of our experienced in-house counsel, consultancy, sample precedents to ISPs and draft motions. We only ask that our partners contribute to improving the source material we currently have by engaging with us in the disclosure process.

As we are steadily developing the reach of our operations as we require 3-4 law firms in each US state to obtain Court Orders for the disclosure of internet subscriber names and addresses. Our selected law firms will be remunerated with an agreed fixed fee plus a success fee for each Court Order obtained. We offer a steady stream of work throughout the year due to the high rate of infringements found by our IT Experts.

Letter sending

In each state we require at least one law firm to send out the letters of claim. If the law firm is willing to have a data processing company to assist with phone calls, letter sending and monies collected we would be willing to implement that into the program.

If you are interested in the above opportunity or require any further information, please do not hesitate to contact us by email on jc@apmcllc.com or by telephone on +1 323 522 5321. The next step is for us to schedule a conference call with you at a mutually suitable time to discuss our terms of engagement in more detail.

We look forward to hearing from you.

Best regards,

APMC LLC