

m: Frank Schwartz
nt: Tuesday, September 28, 1999 7:13 AM
To: Kyle Faulkner
Cc: June White; Tom Koshy; Michael Magbie
Subject: RE: AT&T Meeting Report

Reached Harrison late afternoon.

Harrison will submit for approval:

1. AT&T Pre-payment - AT&T will pay IVT in advance in January 2000 for Burstware systems valued around the development price in exchange for favored customer status;
2. October '99 Business Unit Presentation - IVT will be presented to the AT&T Business Units at their joint get-together - only opportunity this year;
3. AT&T will absorb the cost of GeoPlex Program membership;
4. AT&T will absorb the cost of Developer Cloud SW.
5. Press Release;
6. Contract closure before Oct. 15th;

We must submit a cost estimate for our development before the end of this week. It will take Harrison around 7 days after that to get approval.

Thx!

Frank S

—Original Message—

From: Frank Schwartz
Sent: Monday, September 27, 1999 12:59 PM
To: Kyle Faulkner
Cc: June White; Tom Koshy; Michael Magbie
Subject: RE: AT&T Meeting Report

OK...Thx...I'll work with it ☺

Frank S

—Original Message—

From: Kyle Faulkner
Sent: Monday, September 27, 1999 11:11 AM
To: Frank Schwartz
Cc: June White; Tom Koshy; Michael Magbie
Subject: RE: AT&T Meeting Report

Hi Frank,

I'm not sure how much farther I will get by 1:00. I think the estimates I gave are for an engineering proof of concept. The actual packaging and production (QA) would be on top of that. There is also the machine costs to consider and the impact on our other development efforts. I am trying to hire another engineer who could work on this but I won't know on that for a little while yet.

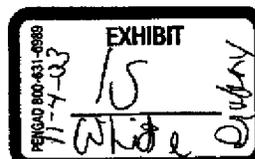
So I would think you shouldn't talk absolute dollar amounts today but explore what is possible and what he is thinking. They are the ones who started calling it a joint development effort.

Ok I'll try to go a bit farther for the simplest integration as discussed at the meeting:

1 month engineering

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3p-DEPEX 011145

.5 months system Admin
3 months doc and QA to productize

Burdened labor cost around 15k/month

Plus the cost of the machines
(leaves the issue of support open)

So if they signed up for 3 enterprise systems?

Thanks
Kyle

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

From: Frank Schwartz
Sent: Monday, September 27, 1999 7:59 AM
To: Kyle Faulkner
Cc: June White; Greg Friedman; Paul Banh
Subject: RE: AT&T Meeting Report

Super. I've got a 2PM call w/Harrison at AT&T.

I'm on a plane to LAX at 10A, will check back via either phone or email (if possible) around 1P.

Thank y'all.

Frank S

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

From: Kyle Faulkner
Sent: Monday, September 27, 1999 7:51 AM
To: Frank Schwartz
Cc: June White; Greg Friedman; Paul Banh
Subject: RE: AT&T Meeting Report

Ok. I will meet with the engineers and June today to refine my estimate and put some cost on it.

Thanks

Kyle Faulkner
Chief Technology Officer
Instant Video Technologies
(415) 391-4455 x221

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

From: Frank Schwartz
Sent: Monday, September 27, 1999 7:27 AM
To: Kyle Faulkner
Subject: RE: AT&T Meeting Report

I was looking for a cost estimate on "I would think that the first level on integration might be 1 month of engineering and a couple of weeks of SA."

Thx.

Frank S

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

From: Kyle Faulkner

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3p-DEPEX 011146

Sent: Sunday, September 26, 1999 10:05 AM
To: Frank Schwartz
Subject: RE: AT&T Meeting Report

The numbers are included in the mail below.

Kyle Faulkner
Chief Technology Officer
Instant Video Technologies
(415) 391-4455 x221

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

From: Frank Schwartz
Sent: Saturday, September 25, 1999 11:34 AM
To: Kyle Faulkner; Tom Koshy
Cc: June White; Michael Magbie; Ed Davis
Subject: RE: AT&T Meeting Report

That'll do...I need numbers as soon as you can supply them.

Thxt

Frank S

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

From: Kyle Faulkner
Sent: Saturday, September 25, 1999 8:02 AM
To: Frank Schwartz; Tom Koshy
Cc: June White; Michael Magbie; Ed Davis; Kyle Faulkner
Subject: RE: AT&T Meeting Report

I think we only talked about the first phase with ATT in anywhere enough detail to estimate it which was in the earlier email. The plan discussed at that meeting was to do the first phase and then re-visit it with our new knowledge base. So I don't think I can provide estimates for subsequent phases at this time.

Thanks

Kyle Faulkner
Chief Technology Officer
Instant Video Technologies
(415) 391-4455 x221

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

From: Frank Schwartz
Sent: Friday, September 24, 1999 5:36 PM
To: Tom Koshy; Kyle Faulkner
Cc: June White; Michael Magbie; Ed Davis
Subject: RE: AT&T Meeting Report

A JDA is a binding agreement, not an MOU.

The course of action that you are recommending is precisely the one that is being performed.

I am awaiting a cost breakdown and phased development scope from Engineering; as my original email indicated, the cost burden would have to be shared by AT&T if it proves to be extensive. I

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3p-DEPEX 011147

also point out that every AT&T development dollar spent by AT&T will lessen our share of the "action" whatever that action is determined to be in negotiations. If the dev dollar is low, we should minimize AT&T dev dollar involvement.

At any rate, this will be discussed in detail with Harrison on Monday.

Frank S

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

From: Tom Koshy
Sent: Friday, September 24, 1999
5:18 PM
To: Frank Schwartz; Kyle Faulkner
Cc: June White; Michael Magbie; Ed Davis
Subject: RE: AT&T Meeting Report

Before we start on any integration work several things need to happen.

1. Sign a binding agreement which defines a revenue path for IVT. MOU is not enough.
2. Define the scope of the integration.
3. Figure out the cost (development and required hardware) and how ATT and IVT are going to share it. We do not want to bear all the cost and do whatever ATT asks us to do without being compensated.

Tom

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

From: Frank Schwartz
Sent: Friday, September 24, 1999
4:52 PM
To: Kyle Faulkner; Tom Koshy
Cc: June White; Michael Magbie;
Ed Davis
Subject: RE: AT&T Meeting Report

Thanks Kyle.

What I would like to do is set up a series of milestones for development at each level of integration with the AT&T infrastructure.

Some of the milestones would lead to the opening of negotiations with one or more AT&T business units as integration increases. In this manner, multiple revenue paths can be associated with various stages of the Agreement.

Frank S

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

From: Kyle Faulkner
Sent: Friday, September 24,
1999 3:27 PM

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To: Tom Koshy
Cc: Frank Schwartz; June White; Kyle Faulkner; Michael Magbie
Subject: FW: AT&T Meeting Report

Hi Tom,
From notes to my team:
"I would think that the first level on integration might be 1 month of engineering and a couple of weeks of SA."

This was my rough guess which needs some further definition, it could still be incorrect but it is probably close. What I suggested to Ed Davis is that one way to capture revenue is if they guarantee a purchase for thier demo room once we have the port working. This of course is only one possible way to make it a "joint" developement. I know Frank S. plans on talking about some of this with Harrison on Monday.

Another up front cost for someone (us) is that to get a minimal cloud in here we will need 3 solaris machines. We will also need a client and a server machine for our product deployment. They will supply the geoplex development env and cloud software as per

Technically the work seems to invovle:

1. Player sdk must make various calls into thier "Peer SDK", this may be the bulk of the work
2. The Conductor and server need to have certain startup logic to be geoplex compliant such as registering with thier name server.
3. The Conductor will probably need to make certain api calls to geoplex to enable our use of ports.

That is the first level of integration. Subsequent levels become much more involved particularly around our conductor.

Definitely a major discussion in the meeting was about how we were going to make some money on this. It was good news that their deployment in Redwood City is a production deployment. That means that they are farther along that we had earlier thought.

To do this work, I will need some additional resources which I also need to get the Virage integration done. More on this later.

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

From: Kyle Faulkner
Sent: Friday, September 24, 1999 10:38 AM
To: Greg Friedman; Paul Banh
Cc: June White
Subject: FW: AT&T Meeting Report

We should talk some more about this. In general this was good. Some of the issues that Paul was concerned about will not be a big issue. This increased interest on their part does mean that we will presumably need to assign some resources to do it. First we need the contract agreements which should include some money for the work.

I would think that the first level on integration might be 1 month of engineering and a couple of weeks of SA.

We will talk more.

Kyle

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

From: Frank Schwartz
Sent: Friday, September 24, 1999 10:18 AM
To: Roundtable
Cc: Mike Moskowitz;
Michael Magbie;
Frank Vegliante
(ad)
Subject: AT&T Meeting Report

On Sept 23, Kyle, Fran V, Mike

Magbie, and I met with Harrison Rose (ISV Director), Petre Dini, District Mgr Network Infrastructure, and Dr. Nelu Nihai, Director of GeoPlex, at AT&T Lab's SJ office.

The purpose of the meeting was to discuss how a relationship with IVT and AT&T can be forwarded. GeoPlex is AT&T's new IP-based broadband infrastructure for business-to-business applications. There is currently one commercially available production node active in Redwood City, with seven more to be deployed in the next year in both the US and Europe.

AT&T is offering IVT a Joint Development Agreement that will in stages, make Burstware available to all AT&T business units, first transparently over GeoPlex, and secondly, integrated into GeoPlex itself.

AT&T is impressed with the functionality of Burstware and how it is capable of producing QoS above the network layer rather than inside of the network. AT&T would like us to insert GeoPlex GMMS (authentication etc) calls into Burstware's client SDK, Conductor, and Server. Kyle can provide more detailed information as to the breadth and extent of modifications to Burstware. Although most likely not extensive (especially in the first rollout stage), they will require additional manpower. Dr. Nihai feels that the Conductor runs on AT&T's edge gateway. This is reasonably an integral location inside of the AT&T infrastructure, and lends credence to Burstware's importance.

The opportunities for IVT falls into:

1. Inclusion into AT&T infrastructure (one of world's largest broadband) possibly as resellable service (or other financial arrangements TBD);

2. Burstware becomes de facto standard for video delivery (Dr. Nihai confirmed that GeoPlex has no other signed video delivery relationships);
3. Migration from B-2-B into B-2-C through TCI & MediaOne;
4. Impetus into next financing;
5. Announcable in press release;

I have scheduled a conference call at 2P on Monday 9/27, to discuss points of understanding with Harrison. Harrison is empowered to pull together the Agreement, and will use other AT&T pre-approved JDA's as the template for our Agreement. One area of importance will be for IVT to help determine the path toward revenue. This Agreement needs to set us on that path by stating the need for a separate Joint Revenue Agreement; it is unlikely that the JDA can determine details of actual revenue streams at this time.

Internally we need an estimate as to costs associated with modifying Burstware; we can push AT&T to pick up some percentage of those costs if they are significant enough.

I can be available by cell phone to complete discussions with the Roundtable starting at 11:45AM Monday due to my flight to Digital Hollywood LA at 10A for a later speaking appearance.

I suggest email discussion in preparation.

Thanks!

Frank Schwartz
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