

INFO-BROKERS & LOGISTICS (NZ)

INFORMATION MEMORANDUM

April 1999

PICTURE

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1 Preface

Executive Summary

New and exciting technology is available to satisfy a demand in a wide range of applications where continuous tracking of physical assets is required. Developments with specific and existing networks such as GPS and cell phones have shown that these provide potential network capability, but at this time, none of the solutions based on these have yet been proven to be economic for a widely based system. Info-Brokers & Logistics (NZ) will have the patented technology to achieve cost effective solutions.

Many organisations are currently looking into providing sophisticated computer based solutions for tracking systems with much of the impetus being generated by the New Zealand Government requesting solutions to road user charging systems. However, if an economic system is to be fully implemented a new method of Information Access complete with Storage Retrieval will be required. Info-Brokers & Logistics (NZ) will be licensed to use a new service implementation system "KISS" (Knowledge, Integration, Service - System), that will allow a totally new and relatively inexpensive Service System, to be put in place that is vastly superior and will provide a much wider range of benefits than that offered in either current or presently proposed technology

This business plan outlines the introduction of the world's first Information Utility, IBL. This new service is committed to introduce information services to the entire population.

IBL is being established as a series of territorial franchises. These franchises allow adaptation to local cultures and conditions. In the short-term, IBL intends to introduce services into Australasia plus establish footholds in Asia, Europe and North America. In the long-term these footholds will be exploited, to penetrate the primary market on a global basis.

Within each franchise are a number of standardised market segments. These segments require the customisation of the equipment supplied to present the required services. A number of key services have been fully evaluated and are ready to be used as target segments to launch the IBL service in each franchise area.

The underlying IBL technology is KILOWare, based upon concept that has been developed over a period of time by reviewing computer technology from first principles. This has allowed the development of technology that has avoided the weaknesses of traditional computer technologies. In particular, the introduction of inexpensive shared data over a high capacity network provides a decisive competitive advantage over the existing computer industry.

The IBL structure is ready to be activated. This plan highlights the requirements to initialise the world's first true information service.

In this document we identify the opportunities available to investors to participate in the creation of an exciting and profitable group of services to New Zealand.

2 Terms and Conditions

NOTE:- This page was relevant to a non-prospectus share issue that was contemplated, it has been left in for completeness

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3 Business Objectives

To empower the general populace through providing access to information as and when required, using cost-effective methods and without their having to learn the mechanics of the information system or having to keep abreast of the latest technology.

*To know what we know,
and what we do not know,
that is understanding*
Confucius

3.1 Short Term Goals

For the next three years

The IBL establishment phase includes bring all IBL members together into the organisation. The KILOWare technology needs to be brought into production and suitable franchise holders trained. This process will require approximately one year.

IBL (NZL) will be established as the prototype IBL franchises. It is intended to begin operations by late 1999.

The five IBL Australian franchises will be established as required to extend the New Zealand business and to complete the Australasian markets. This extension is intended to be implemented by mid-2000.

The final short-term goal is to establish the seeds for further expansion. Suitable seed franchises include IBL (Hong Kong), IBL (Bohemia) and IBL (British Columbia). These locations provide the springboard for entering Asia, Europe and North America respectively, while taking advantage of the local education base and need for information services. These seed sites are intended to be finalised by mid-2000 and implemented in early 2001.

3.2 Long Term Goals

For the next 8 years

The long-term goal is to establish franchises in all territories throughout the world. These franchises will be prioritised to take advantage of the primary market – those people who are unable to take advantage of existing computing products.

It is expected that the existing computer users will initially ignore IBL products and services, as they are used to implementing and supporting their own systems. However, over time, the economic rationality of the IBL service will slowly win over these people.

4 Description of Layout and Context

The Business Plan has been arranged in the order given so as to enable the reader become more aware of IBL's business and the market within which it will operate.

IBL is about to become the world's first "Information Utility".

The products and systems that are available to IBL allow it to supply a number of unique services. These services in turn must be applied to the market in a form that the market can relate to and understand.

The primary market for our services is contained within the 78% of the market (that the Computer Industry has identified) that the Computer Industry has difficulty in being able to penetrate. The Computer Industry claims that to have 22% of the potential market at present but is having a hard job gaining more. Based on last year's figures this 22% market-share was worth US\$2,600 billion.

IBL will need to supply Information Access Devices, (proprietary equipment that will allow the end user to access all the information available in a form that the system can relate to) and deliver that information in a manner that is trustworthy to the recipient and in a format which they can understand.

Our business is to allow people access to the most reliable information available. This will force us, the Information Utility; to be able to support the validity and confidentiality of the supplied information as well as the data collected.

If software and systems are designed properly from the beginning there is no need to require the 'end user' to keep upgrading their machine or software.

We will supply the devices that the customer needs to access the information and they in turn will pay for that service based on their ability to receive the knowledge from that device within a specified response time. There will be no need to upgrade the Information Access Device for a faster response. As it usually is not the speed of the machine that is causing this degradation but the network supplying it, we can (for a fee) increase the response time of a machine without either upgrading the machine or its services.

Customers should not have to worry about the validity of the information supplied, or the security of the information stored.

Every person (or legal entity - including Companies) should have right-of-access to all information, everywhere.

The idea is nice!

The reality is different.

Depending on what information is applied to what data at what time with who is involved in the equation gives results that could be disastrous.

We have all seen and heard of the results of Hitler's regime prior to World War Two, where information collected for one function (the census) was used in a very different manner. (Concentration camps and later genocide). Many Governments before the Third

Reich and since have abused the information in their care, using that information for a purpose other than that for which it was collected.

It is reasonable to assume that the abuse of information will become more frequent as information technology improves. We can however supply the tools to empower the general populace to look after their own affairs, in a deliverable manner.

Our business is to:-

Supply tools to the general populace that enable them to empower themselves and their associates with a greater level of understanding and belief in their own abilities to enact and participate in an ever changing world.

We will supply the tools available through a chain of approved on-sellers we call the "KISS Franchise Licence". We supply to a licensed on-seller the right to on sell all KILOWare and Services that have been obtained by the IBL Group that will enable the business of IBL to proceed.

All Products, Hardware, and Software, of IBL will adhere to a set of guidelines / format supplied as part of the licence agreement, this is called "KILOWare".

IBL will take on the responsibility of Response Speed, Application updates, Validity of User, Verification of Data, Security of Network and Data, Archiving of Legacy Data, Back-up of Systems, Auditing of Service Supply - and Use, and Policing of Information Use.

Each of the above tasks is over 99% automated through the use of the KILOWare technology, allowing the trust and integrity of IBL to become established over time.

5 The Technology

5.1 Terminology

5.1.1 Consumer

The “Consumer” is the person or entity of the services from our supplied IAD (Information Access Device) (eg. “MINDER” in motor Vehicles – The driver of the car in respect to the insurance of the vehicle).

5.1.2 Customer

The “Customer” is the person or entity that is paying for either, the services or the lease of the KILOWare through our supplied IAD (Information Access Device) (eg. “MINDER” in motor Vehicles – The Insurance company for the insurance of the vehicle).

5.1.3 End User

The “End User” is the user/receiver of a physical unit with the appropriate software and services (KILOWare) attached to enable it to become an Information Access Device (Both Input and/or Output) (eg. “MINDER” in motor Vehicles – the car owner in respect to the insurance of the vehicle).

5.1.4 KILOWare™

The Applications, Hardware, Software, Functions and Services (All the parts, pieces, elements, modules, and assemblies that are available to the End User, Consumer, Customer) are collectively known as “KILOWare™”

5.1.5 Enterprise

“Enterprise” is the name given to the collective supply of Service Activities from the Master License Holder to all Licensees and Sub-licensees. These include Marketing, Financial Services, Data Integration Techniques, System and Service Modelling, Presentation Uniformity, System and Service Auditing and Data - Information and Knowledge Protection Services.

5.1.6 KISS™

“KISS” (“Knowledge, Integration, Services System”) is the supply of “KILOWare™” and the access to all other Service “Enterprise” supplied as a franchise through the license from the Master License Holder (Development Licensing Ltd.).

5.1.7 IP

IP (Intellectual Property) includes all forms of Intellectual Property Protection including (but not limited to-) Patents, Trademarks, Copyright, Design Marks, “Secrecy”

5.1.8 License

The “License” is the collection of “KILOWare™” and “Enterprise” (The Franchise), along with access to the “Protection” offered by the Master License Holders rights to the IP and exclusivity arrangements.

6 NATURE OF OUR BUSINESS

6.1 “The RATIONAL”

We believe that for an Information Utility to become a reality in the current computer orientated environment, it must be based upon supplying tools;- not a need to upgrade your present machine when ever you “just get used to it”!

This requires that not only the information that we have collected and made available is TRUE but also even the FALSE information is available and displayed as being NOT-TRUE. You cannot make an informed decision based on only a number of truths, you must make allowances for a number variances on the truth that we believe is fact.

While not trying to get into a discussion on the validity of truth, the reader must be aware of some basic truths that the present Computer Industry wish to ignore.

- A computer is good at storing and retrieving data.
- A computer is good at moving “chunks” of data quickly.
- A computer cannot tell the truth about a statement or piece of data any more than it can tell the difference between black and white.
- The human is the intended recipient of most of the information available, so why doesn't the computer industry make the ‘machine’ more human aware? The response to date - “Its not in their best interest to do so!”

Our main ‘first’ market is the 78% of the world’s population that can afford a computer, but the computer industry will never be able to reach due to their requirement of ‘re-training the user’ instead of redesigning the machine.

6.2 An Alternative Approach

Current technologies are based on the method of computing and problem analysis that was described for the original computers back in the ‘50s. In principle, there has been very little change in computer technology since the 1960’s; only a refinement of existing technologies as computer component manufacturing has become more efficient. While this approach has served the computer industry well in becoming one of the world’s largest market segments in any measure of economic performance, it has not helped the end user to become any more comfortable in using its services.

The approach offered by using IBL is one of ignoring the methodology used to date and to returning to first principles. The KILOWare™ technology is used to perform the human computer conversion, thereby allowing the customer to use the services provided, without having to learn how to get the computing system to adapt.

The concept of IBL is relatively simple:-

- Allow the customer to describe in their own terms what they want and more importantly how they want to see it. (in pictures of their own)
- Put together a packaged environment so that help is only a phone call away.
- Allow for the fact that the end users will ask for, and get the system to perform impossible tasks, but that it gives a reasonable result depending on the end users expectations,- not the systems ability to interpret an undefinable action.
- Allow for all information from all systems to be shared, BUT
 - Allow for all pieces of information gathered to be classified with: Who gave the information (who @)
 - The type of information supplied (what @)
 - When was the information supplied (when @)
 - The location of the information provider (where @)
 - The security level of the access permission (How @)
 - The validity of the purpose for information supply (Why @)
 - Length of time required (archive @)

Is this task Invalid?

Get the GDP of Australia for 1997 and add it to a picture of the “Mona Lisa”, divided by the Audio reception component from the TV station Channel 9 at 15:12:54 on the 16th of February 1997, the result being measured in metres per second.

More importantly this will allow the system to check, audit, verify, and comply with all access requirements to all data types while maintaining the most secure of privacy privileged services available anywhere.

We do not believe that it is up to the customer to worry about differing data versions, it is important for the end user to be able to “Trust” their device and the data that is forthcoming from it. To this end we will enter into a contract with each customer to allow him or her to be able to get the most from their “Information Access Device” while allowing us to check the validity of information that they supply and receive. This is not a difficult task if the process used to determine validity and security are one and the same, and the system used to retrieve information from the total of all available resources is part of the same “Distributed, Networked Application Development, Database Environment”. (This also allows us some control over who has access to the Network, and places a requirement on the customer to perform in a way that is acceptable with IBL’s constitution or we have the obligation to protect our constitutionally abiding customers by removing offending customers from the service).

While it is possible to distribute information within present systems, it is nearly impossible to change the data structures underlying that process after the information has been stored without either re-configuring all systems or restating all the information sources. We use only real live data, therefore all data is validated at source and stored as the original data from that source. This allows us to change the way we look at data on the fly, with each user of the same types of data seeing it in the context of what they need in order to perform their job. This capability gives us the ability to use previously collected “Past” data in “What-If” scenarios - using REAL data.

6.3 Computer Virus – equipment misuse

A computer virus is software that has been written with the malicious intent of disrupting somebody else's information system. With the security features inherent in the IBL System it is nearly impossible to for a computer virus to be introduced to the service, with the following conditional statements:

- We know who wrote the virus, and where it was placed into the network.
- We accept that we cannot stop the virus from being written, BUT as the Networked Environment System does not allow unregistered (by our Applications Registration Centre) programs onto the networked environment, the IAD will kill it as an unrecognised program and delete it after notifying us of its existence.
- Having found the virus, the infected system verifies all the data it has received, stored, manipulated, and sent, with the rest of the Networked Environment. If the device finds a discrepancy, it tags the discrepancy as "non verified, possibly corrupt" and sends that file to the Centre for further analysis. As the device has now only verified information available to it, so it is a "clean" device.

All of the above will take no longer than 10 minutes to correct, but this machine is now tagged on the Network as a possible entry point for "unverifiable data" thereby lowering its security rating, after a period of time (weeks) this may be upgraded to its previous level. (The individual that normally uses this device is also placed on a security alert, along with the person tagged as having written the program).

6.4 Alternative – Market Segmentation

It is well understood that 80% of the population does not want (and should not have) to understand how a computer works or what keys to push to make it work. But they do want access to information in a form that each individual can make sense of, in their own way and interpretation. This is our market.

To give us access to this market IBL have a series of products, services, and systems available for the end user, these need promoting and installing with a small amount of training (mainly to unlearn present computer terminology). This is the opportunity available to you now. Managing and massaging this system to suit your own State.

IBL will establish an IBL (State) franchise in each state of a country. Under the control of each territorial franchise are a number of definable market segments, these are as follows:

- | | |
|--------------|-------------|
| • Transport | • Security |
| • Home | • Education |
| • Commercial | • Health |
| • Industrial | |

Each of these segments will pay a fee, to partake in the licence offered by the IBL series of systems for their particular market segmentation, in return they can partake in the profits

from the use of the services provided.

6.5 Production Requirements

It is proposed that within two years all Information access devices will be provided by a containerised manufacturing process. This will allow all units to be made close to the installers' customer base.

These containers (present day 20ft container size) will be able to provide all the device types that are required by all market segments of the Info-Brokers & Logistics Service System.

All units installed in customer situations, (In-vehicle, In-house, In-work, In-public places) will be leased to the end user as they use the device, (resulting in User Pays). This will force Info-Brokers & Logistics to supply the most up to date, and relevant system and services that are required for that particular use.

6.6 Manufacturing

All User licence (and Segment licence) holders are required to purchase products from Development Manufacturing Ltd. This company will licence manufacturers to enable the manufacturing, storage, distribution, and delivery of all units that are required to implement the IBL System

This gives IBL total control over Quality Assurance across the entire product spectrum that is the IBL System Hardware (part of KILOware).

It is envisaged that IBL will eventually be able to acquire the rights for a containerised manufacturing system that will allow the IAD's to be assembled on site. This not only gives a better production service but also improved security in the form of hundreds of manufacturing centres throughout a territory are much harder to vandalise than one large manufacturing centre. In addition, the price can be better controlled due to less human handling (less faults), resulting in a better product

(Example of contents - Appendix H)

7 Business Description

Our objective is to make IAD's (Information Access Devices) available and accessible to everyone. While our markets require the case for the IAD to be different, depending on the market segment, the internal functionality is pretty well the same.

Different Segment markets require different approaches, but some of the core requirements for security and integrity are virtually the same for all data structures and end users. This brings about an interesting set of guidelines, by keeping the core rules for all data treatments the same and yet allowing for a different "box" to enclose the functionality, we can define our market segments by enclosure type or anticipated add-ons. A prime example of this is in a vehicle, where we need audio output and a small screen. In a home environment we usually have a large screen available in the form of a TV set (and possibly a stereo sound system). At an office we have the same requirements of a house but are less able to use both infra red remotes or audio input due to the noisy work environment, nor is a TV set available (though a dedicated monitor of higher resolution than a standard TV normally often is).

Therefore by defining our enclosure types and future add-ons we can define our market segmentation and to a degree the type of delivery mechanisms available. Again by example in New Zealand we have the use of MTA (Motor Trade Association) members being able to install IAD's in vehicles but are not of the correct calibre for installing an IAD in a household environment. By the same token the training required for a household installer is more in line with patience and customer awareness than vehicular adaptiveness. So we cannot expect a household installer to install their IAD into an office environment, where electronic noise may cause problems and required staff training is often in groups of five or six instead of singularly, as in the home market.

A number of products and functions will be introduced by the IBL group over the coming years, these are all part of the IBL System. These functions are either produced internally or will be licensed or acquired as required so as to make them available as part of the IBL System.

There are three separate categories to the IBL Licensing System these are the licences that exist with our

- (1) Territorial Master licensees (The User Licence).
- (2) They are in turn required to divide their market into market segments that have been globally defined by IBL Marketing, and sell or apportion those rights to on-sell KILOWare to the End User, via their Sub-Licence capability. (The "Segment Licence).
- (3) Lastly is the licence agreements between our suppliers of elements for the IBL System and our licence distributor IBL Licensing Ltd.

The Sub-Licence is the same agreement as the User Licence with the same territory but the product range has been broken down into market segments. (Ie. Transport, Home, Commercial, Industrial, Security, Health and Education)

The Segment Licence Holder is responsible to the User Licence Holder for all general / territorial marketing but is required (by it being the same licence) to purchase IBL products and services through the User licence supplier (and Co-signatory) IBL Licensing Ltd, from Development Manufacturing Ltd.

The structure and type of income to the companies and charging regime is depicted in Appendix G, while the content of the licence agreement is in Appendix A

7.1 Description of User Licences

Rather than supply a separate licence for each product or function (presently on the drawing boards - there are approx 100), IBL will supply a single licence that allows access to all of the functionality of the IBL System.

IBL Will Supply licences to all “States” of the world as time and economics dictate and allows. The Master licence holder for a state / territory, (the “User” Licence Holder) has in turn to sign up sub-licensees, for the product ‘segment market’ areas within their territory (the “Segment” Licence Holder).

The licence is a signed document that allows the signatory access to all the tools and functions available from the IBL group, for their licensed territory.

The signatory for a territory is expected to pay a licence fee to the licence issuer (IBL Licensing Ltd.). This fee is to be based on the anticipated sales for their given territory (refer Appendix N)

Their income is derived from a number of Sales functions within the territorial boundaries, these are listed below:

- Installation of IAD
- Access to Network
- Use of Network
- Transaction Fee

7.2 Description of Supplier Licences

In order to supply the IBL System to everybody a number of elements need to be pulled together. Different companies hold all the products, parts, elements, modules, Software, services, and IP protection.

IBL has negotiated access to all the pieces and elements it requires to supply all the services and functionality to allow an Information Utility to exist into the next millennium.

Each of the suppliers of pieces for the IBL approach to an Information Utility is supported and backed by a signed licensed agreement with each of the suppliers. This allows IBL to track and maintain not necessarily the latest technology, but to supply and support the best overall service.

The Suppliers have accepted an ongoing income in the form of usage charges against their produce or service; (the only exception is for the Hardware itself).

An example of the type of licensing agreements entered into is attached as Appendix B.

Also attached in Appendix B is a short form list of the licensed providers and a further list of the possible providers to come for the remainder of the product range.

7.3 Overview of Franchise operations

The franchise agreement is a function enabled within the licence agreement. It allows the use of the services and functionality of the IBL Marketing Group and the payment of fees for services performed within that territorial licence boundary. These fees are based on the following:-

7.3.1 Installation of IAD

Installation of an Information Access Device (IAD) onto the IBL Network triggers a payment to the account of the User Licence Holder.

This is presently NZ\$5.00 (Five New Zealand Dollars).

7.3.2 Access to Network

The “End User” (through whatever means has been targeted), will pay a monthly fee to maintain access on the IBL Network (the Connection), 5% of that fee will be paid into the account of the User Licence Holder.

(This is presently NZ\$2.00 (Two New Zealand Dollars) per month), therefore 5% of this is NZ\$0.10 (Ten New Zealand cents) per month credited to that account per IAD on the network for their territory.

Note:- Some End Users will not pay their Connection fees directly, an example of this is the IAD installed in vehicles for the transportation “Segment”. This fee may well be paid by the collection of fees from the users of the information collected from the devices, eg. The insurance companies, the local or central government, Roading service suppliers, Policing authorities. (Please refer to Appendix A).

Note:- if the “End User” is using that territory’s network for only one hour per month they must pay those months connection fees for the whole month

7.3.3 Use of Network

Whenever data is supplied to an IAD that has come from another device it has by default come over the IBL Network. Depending on the either the size of the data or the time taken to deliver the result, the Network Company will charge for the service provided. In reality the Network Company will only charge if the use of limited resource becomes excessive, however the excess is built into the transaction fee (see below).

IBL does have to show a charge for a service supplied and to allow for the costs to improve the network over time.

The “End User” (through whatever means has been targeted), will pay a monthly fee to Access the IBL Network, 5% of that fee will be paid into the account of the User Licence Holder.

(This is presently NZ\$2.00 (Two New Zealand Dollars) per month), therefore 5% of this is NZ\$0.10 (Ten New Zealand cents) per month credited to that account per IAD on the network for their territory.

Note:- Some End Users will not pay their access fees directly, an example of this is the IAD installed in vehicles for the transportation “Segment”. This fee may well be paid by the collection of fees from the users of the information collected from the devices, eg. The insurance companies, the local or central government, Roothing service suppliers, Policing authorities. (Please refer to Appendix A).

Note:- If the “End User” is using that territory’s network for only one hour (or one megabyte of down-load) per month they must pay that month’s Access fees for the network used (presently as above NZ\$2.00 for the whole month - not part of the month)

7.3.4 Transaction Fee

When information or data has been acquired and reformatted via an application supplied by IBL Group (and has had to be retrieved from over the network) a chargeable transaction has taken place.

NOTE:- If all the information that is required is available locally then a transaction still occurred but it is assumed to be recovered from the lease costs of the equipment. (There is a flat charge of NZ\$2.00 per month in the lease cost to cover this service, and software upgrades etc.)

The charging regime for transactions is based on the use of “agents”. There are two types of agents:-

- 1 The Executor Agent - this agent requests that a remote (or number of remote) IAD’s perform a particular set of instructions (those defined within an application and passed to the remote machine as data within the Executor Agents structure), and return the results to the initiating IAD.
- 2 The Emissary Agent - this agent requests that its data field be filled with data as possibly held by the recipient IAD. This is then returned (only when filled in) to the Initiating IAD. This Agent does have as part of its structure the length of time over which it will exist, before it either has to return to the initiator or is killed by the IAD it happens to be on at the time (option). It also has a minimum and maximum spawning level, this is the amount of times it can be regenerated on any given IAD before its spawning (or regeneration) is stopped.

Both Agent types are chargeable, but they are charged differently. , An Executor Agent charge is based on every iteration of the Agents task per IAD and is charged as a single fee (presently NZ\$0.05) per iteration.

The Emissary Agent is effectively tasked before it leaves the initiating IAD, therefore a charge is determinable by the Spawning level and the Life span of that particular agent. The charge for the Emissary Agent is variable but has a Minimum charge of presently NZ\$0.05

(Example of contents - Appendix C)

7.4 Overview of End User operations

By providing our customers with an IAD “Information Access Device” we are able to capture, manipulate, and disseminate information to third parties that wish to see the data collected in a more knowledgeable format.

7.4.1 Functions of - “MINDER” (The IBL In-Vehicle) Unit

The car owner receives an IAD in the form of a ‘box’ that sits between his mirror and the roof lining of his vehicle. As the unit knows where it is, in relation to territory and other vehicles, it can supply, street names, other vehicle trajectory information (such as an impending crash), the value of roading service provided (in the form of the best arterial route to travel on at this time based on cost), anticipated arrival at destination and best route to use for value for money in these circumstances.

The “Customers” for these ancillary services (due to the information collected and disseminated) are bodies like the Roading Service Companies. We can enable –to the repair and service of the roading network to road users, (both as a value of traffic using this particular route, and the anticipated hold-ups given a partial closure of this road, either accident or necessary road works).

If an accident does occur, the ITR “In Transit Recorder” - “black box” function of the unit can be used immediately to inform emergency services of the likely severity of the accident, before they even leave their base (better response time to customers in need) and provide a visual playback of the accident so the legal authorities can clear the road more rapidly, instead of trying to find indicators as to what really caused the accident. The unit can help apportion blame for the accident due to the availability of Real Data for both the insurance companies and Law Enforcement Authorities.

The data collected is also useable by other authorities in the form of “real data” for evaluating response, awareness, useability of roading changes - ie. Conditional changes, due to day of the week, weather, and other man made disturbances, (Examples include, but are in no way limited to:- an off-road building site, cattle crossing the road and a vehicular breakdown).

Each of the above services and operations are available to every customer on the network at the same time. The customer who wants a particular type of information effectively invokes two separate operations,

- Invoke the application that causes certain types of information to be displayed (or supplied) in a form that has been set by the user of that information from the available options. This in turn :
- Invokes an “Agent” to retrieve the information from the network that it has been requested by the appropriate application.

An example of this could be the transport authority (or local police) wanting to see the

present “Real” road conditions. They may pay 5 cents per minute per viewing monitor station to see this (“Live Road Application”) data, to “Zoom In” on a believed trouble spot requires the invocation of another agent (“Live Road Application” - “Zoom In”) to further disseminate the Network Information supplied and reassemble the data in the form in which they are desirous of viewing it.

Your whereabouts is not reported to a central computer- no one needs to know where you are and not even your account balance (apart from the fact that you are in credit). Hence the accounting function is performed across all vehicle mounted units (in the case of New Zealand, there would be 2.6 million units) and the results are tabulated and sent to the respective owner of those funds, ie. Tolls to the Roading Company; Traffic Offences to the Police (Justice) Fund, Regional Taxes to the Local Authority Fund - all as required.

If a piece or section of road or access mechanism belongs to a third party (private company - would have been a toll booth etc) possibly aboriginal interests, we can deliver them their piece of funding as used. (In New Zealand the Maori peoples are actively participating in managing lands of ethnic interest). We are able to produce the accounts for every device on the service, as a function of what the device is used for, eg. The unit in a vehicle is effectively a data collection device;- but; it also is an accounting engine, a road monitor, an accident “Black-Box Recorder”, does driving analysis, stores consumption figures, allows for various Acts, legislation, regulations, by-laws, and vehicle or driver dependant input. (Eg. the driver may want to be notified when exceeding 120km/h but the unit starts charging the driver (as per existing regulation) \$1.00 per Km per km/h above 110 km/h, or the unit can be set to notify the driver once the fee exceeds a fixed amount, eg. \$0.85 per Km. including all costs.

Our information services are limited to the following factors;-

- Not less than 0.1km per travelling unit
- No more than 250 charging entities per travelling unit (one charging unit is equivalent to eg. a local authority toll, or the Consolidated Fund toll, or Private companies access fee for a bridge, or a Speeding fine, or Road Sign Infringement,
- Not more than 1 travelling unit per 1/50th of a second
- The entities receiving information about nationwide vehicle movements may be up to 5 seconds behind real-time.
- The accuracy of the vehicles whereabouts (for the first six months of installation) is limited to 3 metres (after six months - should be 0.25 metres). Unfortunately this would mean that Farmers travelling on their own property would have to stay at least 5 metres away from the carriageway or they may be charged as if they where on the road.
- We cannot guarantee correct performance of the Street Name Service for in vehicle use until the units have been installed for at least six months.
- Until the Government mandates that all vehicles be fitted with our unit (from their point of view it is free) and we can supply licensing services) we cannot guarantee that the Advanced Warning Service, or Anti Collision System, will function correctly.

7.4.2 The Constitution

As can be seen from the above the biggest challenge facing any service provider entering the market as an Information Utility is that of security.

We have methods and methodology available and in place for all aspects of the data handling and dissemination, the only part that we cannot cover effectively is at the interface with the human recipient.

We cannot control how the recipient uses the information.

We will have the requirement that all users of the system adhere to the constitution of the company. (This is a requirement from all recipients of information for the protection of all).

Our Constitution (for each of the IBL (State) entities) will have as part of its core the requirement for all providers, recipients, employees, and users adhere to its privacy principles. We do not believe that the world's lawmakers are either able or capable of providing a privacy law acceptable to that country before we enter that country's market.

We have an obligation to our customers to treat all information with the same sincerity and security that we can and do expect from our users.

(Example of constitution - Appendix D)

7.5 Product Description

The "Core Product" of all the Info-Brokers & Logistics range of products, contains a GPS (Global Positioning System), a movement detector, and a communications element, spare processing power and memory for a series of different functions and services.

The first offering from the "KILOware™" stable has been designed for Info-Brokers & Logistics (NZ)'s first Sub-license holder BlackTop Services Ltd., this is an in-vehicle unit called **MINDER**.

MINDER is a specifically designed in-vehicle unit. It is a small *75mm x 50mm x 40mm* semi indestructible, completely sealed *aircraft type Black Box*, without moving parts (reducing maintenance on mass units), but containing a display panel which is easily read once mounted between the rear vision mirror and the head lining;- in the case of a motor car for example.

Designed from the ground up as a mass market product, its components include the most cost effective, modern, compatible, integrated and proven systems available world wide at this time. **MINDER** includes features and benefits that can be used with other products, to create a series of reports for sale to their clients, or the transport and safety authorities *traffic management, incident and accident reporting*. The collected information is stored internally in the unit and as and when required the data is down loaded and can be

compared with that of other units to collate a series of road management reports, comprising - *not statistical analysis - but real data*.

This has a distributed, networked application environment, and as stated above, it has been designed from the ground up as a mass market product, therefore any need for software upgrading for a new or additional service we wish to supply can be down-loaded to each and every unit in the field without the unit having to be recalled. All of this culminates in accurate vehicle or property surveillance apparatus of immense interest and benefit to controlling or enforcement bodies to whom BlackTop Services Ltd. will sell information and services to.

Additional sectors and possible clients to benefit are those involved in the areas of:-

7.5.1 Data & revenue collection, strategic planning

The system presents capacity and ability to allow the monitoring of speed conditions, traffic flows, give warnings for incident awareness, collision detection and recording. Furthermore it's capable of applying a series of "taxes, levies, or tolls", against the Pre Pay service provider and of executing all required accounting functions internally for the end user *drivers, the boxes customer*, and relaying the results to a network of PC's, *no mainframe required*. Manufacturers could source data on the state of the engine management computer, which can help with on the road fault diagnosis, extending the warranty for those owners so qualified, and show up inherent design problems before they become a health risk. All of these services can be charged to a pre pay card, which could double as a driver's license, as described in "OPEN ROADS".

7.5.2 Regulatory functions, emergency services & policing.

This product can be uniquely interrogated by authorised recovery agents and in response declares its whereabouts but further contains the ability to allow overriding the engine computer- immobilise the vehicle, shut the windows and lock/unlock the doors. Emergency services can be supplied with information on the paths taken by colliding vehicles and therefore the likely severity of the accident, before they even leave the base. Controlling bodies and policing authorities can be notified of non-paying drivers, invalid license, no WOF, no Registration, live traffic conditions, and the fact that this vehicle is causing other road users to avoid them, or may be under the influence, and can debit the card directly for minor speeding infringements. All of this frees up the police for other duties.

7.6 BlackTop Services Ltd

This company has been granted an exclusive non transferable licence from Info-Brokers & Logistics (NZL) which allows it to market a series of patented products and services for New Zealand. The products and IP offered under license are covered by current IP protection. Similar licences will be granted in relation to other geographic regions throughout the world but it is not intended that either of BlackTop Services or Info-Brokers & Logistics (NZL) play any part in markets outside New Zealand.

7.6.1 BlackTop's Proposal to Government

Blacktop Services Ltd was granted the license to provide services described above to enable it to put forward proposals for road "user pays" projects which had to be submitted during April of 1998. The terms of the proposal required it to include all aspects of vehicle tracking and recovery as well as the more complete road charges and safety issues.

The New Zealand Government has been reviewing options for future road management and BlackTop Services Ltd completed a comprehensive report covering all of the issues. This report and submission is entitled "*Open Roads:- Monopoly or Utility*" and a copy of this is available on request. The report covers in detail all of the issues and opportunities mentioned in this document and provides the reader with a comprehensive view of an integrated alternative for New Zealand road management.

7.6.2 The Market

The potential market for services offered through BlackTop Services Ltd using **MINDER** for road management and control are almost endless. There are in excess of 2.7 million vehicles on 98,000km of New Zealand roads and with **MINDER** it would be possible to keep track of each one of them on a permanent basis. Such capability provides an opportunity to have a cost effective but sophisticated "user pays" systems covering control of the vehicles themselves and the drivers of them.

7.6.3 Product Application

The system presents capacity and ability to allow the monitoring of speed conditions, traffic flows, give warnings for incident awareness, collision detection and recording.

Furthermore it is capable of applying a series of "taxes, levies, or tolls", against the Pre Pay service provider and of executing all required accounting functions internally for the end user *drivers, the boxes customer*, and relaying the results to a network of PC's, *no mainframe required*. Manufacturers could source data on the state of the engine management computer, which can help with on the road fault diagnosis, extending the warranty for those owners so qualified, and show up inherent design problems before they become a health or safety risk. All of these services can be charged to a pre pay card, as described in OPEN ROADS. This card could also *double as a driver's license*.

MINDER can be uniquely interrogated by authorised recovery agents and in response declares its whereabouts. Further, it has the ability to override the engine computer functions to immobilise the vehicle, shut the windows and lock/unlock the doors. Emergency services can be supplied with information on the paths taken by colliding vehicles and therefore the likely severity of the accident, before they even leave their base.

Controlling bodies and policing authorities can be notified of non-paying drivers, invalid license, no WOF, no registration and the system can debit a user card directly for minor speeding or parking infringements. They would also be able to receive reports on live traffic conditions, and the fact that any particular vehicle is causing problems to other road users. All of this frees up the police for other duties.

7.7 Other Economic Influences

User Pays – Government is heading towards this goal in many areas and road use could be achieved using Info-Brokers & Logistics technology.

Government wants achievable goals met and there are no systems around to achieve realistic monitoring at present.

7.8 Services Description

7.8.1 Service Delivery

We have the only complete working environment that allows for :-

- Distributed Database Services,
- Networked Operating System,
- Distributed Network Environment
- Distributed Application Development Environment
- Application developed within hours not man months, and works over multiple machines from the outset
- No Viruses can get in
- Allows accurate charging and account keeping down to 0.000001 cent per charge
- Allows Applications to be updated live without corrupting the collected data
- Has built in communications encryption
- Allows for the collection and storage of real data (not the results - unless desired).
- Allows for the use of all machines together to give a combined MIPS (million instructions per second, a computer specification of the performance of an individual computer) rating
- Allows for the protection of privacy within a user's "field of view" but maintains the integrity of new data collected to allow verification of data based on viewable fields.

7.9 Time Line

The following shows the marketing steps that are presently being undertaken and which segments have been completed:

Function Required	Working on now	Completed
Develop Core Functions		✓
Prove in Situ		✓
Protection	More IP to come	✓
Best value for money	Ongoing	✓
Confirm Market Requirements		
Book		✓
Leasing	Discussions	
Ownership	Constitution	Legal
Develop Marketable Product		
Network (Carrier)	Discussions	
Privacy issues (BBE)	✓	
Finalise product	✓	
(description, services)		
Arrange Manufacturers	12 to be verified	
Sell to Market (as defined)		
Insurance Companies	✓	
Transport Operators	450 vehicles	
Road Management		
Traffic Enforcement		
Government (Funds)		
Central		
Local		
Tolling	Government	

Note Transport Operators includes, but is not limited to, Truck operators, Taxi, Courier, Emergency, Lease Companies, Rental Companies, Manufacturers and Repair Centres,

7.10 Importance of Systems

7.11 Investments to date

Relationships, interests and associations with
BERL

Australian Accountancy House

Submission to Government (Open Roads - Monopoly or Utility)

7.12 What makes us unique

- 1 No Administrative system required to store, message, or maintain the data collected
- 2 Info-Brokers & Logistics technology can change the way that data is collected and massaged in every unit by remote control, thereby eliminating call-backs.
- 3 Info-Brokers & Logistics technology guarantees that the data collected is what is required and able to be massaged as required for the next ten years.
- 4 BlackTop will maintain all installed units, and monitor as required all transgressions from the legal requirements.
- 5 BlackTop will comply with all present laws and any others that pertain to data integrity and security, also personal privacy (built in from the systems initial offerings).
- 6 Info-Brokers & Logistics technology is able to charge different entities for the service and information they want to see, thereby spreading the cost of the installation base.

7.13 Costing Spread - Example

This chart provides an example of how, and who we could possibly charge per month for an income applicable to the repayment of the In-Vehicle Minder Unit

As can be seen we could charge as little as 10c (present data transfer costs, as an example, for EFT (electronic Funds Transfer) equate to a minimum price of 45c), we can generate enough income from the prospective returns that we can repay the lease on the installed equipment - back to the lease company, and make a healthy return to our initial investors.

Use of Services Charges / month		Valid "drivers license" with driver											2,600,000	Yearly						
		Valid License for vehicle		Valid WOF for Vehicle		Accident Recording (evasive manoeuvre)		Following distance		(Road Condition awareness - real time)		(Road Condition - recorded)			Traffic Condition awareness - (Real Time)		Traffic Condition awareness - (recorded)		Road user charges (tax & tolls)	
Car Owner	\$1.00				0.20	0.10	0.20		0.20		0.20		0.20		0.20		0.10	6	\$2,600,000	\$31,200,000
Insurance Co.	\$4.00	0.10	0.10	0.10	1.50	0.10	0.50	0.50	0.50	0.50						0.10	10	\$10,400,000	\$124,800,000	
ACC(accident prevention)	\$1.00				0.50	0.10		0.20		0.20							4	\$2,600,000	\$31,200,000	
Police (accident)(evasive)	\$2.50	0.10	0.10	0.10	1.00		0.50		0.50							0.20	7	\$6,500,000	\$78,000,000	
Police (License)	\$0.50	0.10	0.40														2	\$1,300,000	\$15,600,000	
Police (WOF)	\$0.50	0.10		0.40													2	\$1,300,000	\$15,600,000	
Police (traffic control)	\$1.50	0.10	0.10	0.10		0.10	0.50		0.50						0.10		7	\$3,900,000	\$46,800,000	
Consolidated Fund	\$2.00	0.10	0.10	0.10				0.20		0.50	1.00						6	\$5,200,000	\$62,400,000	
Local Bodies	\$1.50							0.50		0.50	0.50						3	\$3,900,000	\$46,800,000	
Vehicle Manufacturers	\$1.50			0.10	0.50			0.20		0.20					0.50		5	\$3,900,000	\$46,800,000	
Road Management	\$2.00	0.10	0.10	0.10	0.50	0.10	0.50	0.50							0.10		8	\$5,200,000	\$62,400,000	
Traffic Management	\$2.00	0.10	0.10	0.10	0.50	0.10			0.50	0.50					0.10		8	\$5,200,000	\$62,400,000	
totals (monthly)	\$20.00	0.8	1	1.1	4.7	0.6	2.2	2.1	2.2	2.4	1.9	1		\$52,000,000						
Average		0.1	0.1	0.1	0.7	0.1	0.4	0.4	0.4	0.4	0.4	0.2								
Yearly	\$240.00													\$624,000,000	\$624,000,000					

NOTES:-

- Tolls: Could be 10c per 5km (Min)
- DUI We do not determine sobriety or drug intake!
- We do however monitor driving capability/compatibility with other vehicles (we can notify of impaired driving characteristics)

8 Directory

Board of Directors

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Intellectual Property

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P. O. Box 5999, Wellesley Street, Auckland

Legal

To be decided - International? Contact:
Presently either:
John Hickey } as required
John Boyle }
McVeagh Fleming & Co

Tax

To be decided - International? Contact:
See Ray Moreton - as required

Registered Office

33 Sunvalley Rd.,
Hatfield Beach,
Orewa, Auckland, New Zealand

9 Appendices

9.1.1 Key Personnel

(2 pages)

9.1.2 R&D Services for Info-Brokers & Logistics (NZ) Ltd

(1 page)

9.1.3 Research and Incidental Costs

(1 page)

9.1.4 Capital Expenditure

Development Budget and explanation (2 pages)

9.1.5 Financial Tables

5 Year projections for Info-Brokers & Logistics (NZ) Ltd. (13 pages)
Note: Other Sub licensed companies are available on request

9.1.6 Project Timetable

Pert Chart (20 Pages)

9.1.7 Patent (IP protection) Information

(1 page)

Trademarks

Info-Brokers & Logistics

KILOware(tm)

Minder

Patents

2+(18+23)

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