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*Memorandum*

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## New York Meeting Follow-up

Thank you for arranging the meeting at your offices in New York last week. The time spent was most productive, and we look forward to the various follow-up activities. We thought it would be useful to summarize the key points and major follow-on activities from the various internal and customer meetings that we attended. The major points are grouped into the following categories:

1. Internal (MFS Datanet) AudioNet installation
2. Customer AudioNet demo preparation
3. Results of New York customer meetings
4. Customer delivery and support preparation

### 1. Internal (MFS Datanet) AudioNet Installation

The shakedown of the InterAgent™ AudioNet application has proceeded rapidly, and we now have robust copies of the software in MFS Datanet's New York, Chicago, and Houston offices. Our plan is to spend another week or two refining the AudioNet graphical user interface (GUI) and the installation script and then use the MFS Datanet San Jose office as a test-case customer site where we will test the entire delivery and installation process in a customer-like mode. We will then be ready to spread the AudioNet software more aggressively within MFS Datanet and to MFS customers.

## **2. Customer AudioNet Demo Preparation**

A number of potential AudioNet customers are ready to see a demo of the AudioNet software at MFS Datanet offices. In New York alone, interested customers include the Securities Industry Alliance (SIA), Cantor Fitzgerald, NBC, Commonwealth Associates, and Neuron Data. The major steps required to prepare for the demos are:

- \* Set up demo space in selected MFS Datanet locations
- \* Set up a dedicated AudioNet server in at least one MFS Datanet office where the InterAgent master router software can operate securely
- \* Get any specialized equipment needed for particular customers (e.g., particular speaker and microphone equipment)
- \* Develop demo scripts and dry run demos, as necessary

## **3. Results of New York Customer Meetings**

The potential for the AudioNet software (both the "hoot and holler" application and the direct ring-down application) is enormous. For example, David Berberian and I made three customer calls (SIA, Harlow Meyer Savage, Cantor Fitzgerald) with Kevin McNally and Jack DeFranco. All of the customers are interested in the AudioNet software; two of the customers (SIA, Cantor Fitzgerald) have the infrastructure in place to become early AudioNet users. In addition, NBC (through Bill Collins) and Commonwealth Associates (through Nick Balletta) are also interested in the AudioNet service and have the PC technology in place to immediately use the software. Other potential customers which we discussed in New York include Donaldson, Lufkin & Jenrette, the Wall Street Technology Association (WSTA), Goldman Sachs, Morgan Stanley, Natwest, Concord, Tullett Tokyo Forex, Natwest, Chubb, and the Public Securities Association (PCS). Clearly, the financial community in New York provides a tremendous opportunity for bundled MFS/Modulus audio services.

Follow-up activities in the customer area include:

- \* Continue to aggressively market AudioNet services to potential customers
- \* Prepare demos for SIA, Cantor Fitzgerald, NBC, and others
- \* Include audio and other advanced services in the MFS Datanet response to the SIA RFP

- \* Discuss pricing and revenue sharing guidelines for joint MFS Datanet/Modulus sales (this has quickly become an immediate concern as we step up marketing efforts and work together to close deals)
- \* Discuss the joint MFS Datanet/Modulus position on supplying hardware (PCs, audio cards, speakers, microphones, etc.) with the AudioNet software
- \* Speed development and delivery of marketing material (press releases, sales brochures, pricing guidelines, etc.)
- \* Evaluate seminar and conference opportunities

**4. Customer Delivery and Support Preparation**

The preliminary receptivity of customers to the AudioNet services bodes well for audio and other advanced network application services. To ensure efficient delivery and support of the AudioNet service to MFS Datanet customers, we should move quickly on the following activities (these steps also support the overall goal of putting in place a suite of Application Service Centers (ASCs)):

- \* Set up a dedicated AudioNet server in at least one MFS Datanet office where security of the master router software is assured
- \* Get Modulus on-net so that we can monitor and manage the AudioNet circuits
- \* Train one or more MFS Datanet engineers for AudioNet customer installation and first-tier customer support
- \* Install the InterAgent graphical application manager at appropriate MFS Datanet sites to facilitate AudioNet installation and support

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I hope you find these notes useful. Let me know if you have questions on any of this material. We appreciate the opportunity to work with MFS Datanet and look forward to moving ahead.