



Business Plan

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DREAMSTREAM

Executive Summary

DreamStream LLC was founded in 2006 as a Delaware based partnership of three experienced leaders of the service, entertainment, and technology industries.

The company delivers “Secure Technology Solutions” and uses a new proprietary, military-strength encryption technology to secure any form of digital data, a new compression method that allows for high quality multimedia streaming, low bandwidth delivery, and a new file format.

This one-of-a kind technology, developed over a 20 year period, has multiple applications that will address and solve the huge security problems of a digital world, including piracy, viruses, SPAM, fraud, identity theft, corporate and military espionage, and other related issues.

Therefore, the marketability is virtually endless, including the following industries:

- Banking & Credit Card
- Military
- Motion Picture
- Cable and Satellite TV
- Music
- Internet

After one year of market and application analysis, DreamStream LLC is prepared to make our first market entry – DreamStream Studio. DreamStream Studio is an Internet distribution platform for the secure delivery and payment of movies to a market that is estimated to grow by 12,985% within the next two years.

We have determined through extensive research that DreamStream Studio alone will have a multi-billion dollar market cap by the end of 2010. This projection is based upon verifiable facts which are detailed within this business plan.

Now that we have your attention, welcome to the world of DreamStream.

We invite you to review the following business plan so that you can more thoroughly understand the financial opportunity that is presented.

We are currently accepting investments of a minimum of \$10,000 up to a total of \$5,000,000 for shares in DreamStream LLC.

While the financial performance of DreamStream Studio alone makes this a very attractive opportunity, our early investors will be participating in all future vertical markets of DreamStream LLC.

All serious enquiries may contact:

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Milestones

Time	Milestone
January 2008	DreamStream Studio launches to the public
March 2008	DreamStream LLC opens new vertical market – Satellite TV encryption
April 2008	Introduction of DreamStream Studio streaming channels
August 2008	Introduction of IP based DreamStream set top box
November 2008	DreamStream LLC opens new vertical market – Banking
January 2009	DreamStream LLC launches secure credit card processing
February 2009	DreamStream opens military division
August 2009	DreamStream application notebook introduced
January 2010	DreamStream LLC reaches one billion dollars in annual revenues
December 2010	DreamStream goes public

About Us

DreamStream, LLC is registered in Delaware, with 800 million authorized shares.

600 million shares were issued to the three initial shareholders Scott Diffenderfer, Ulf Diebel, and Michael Jay Solomon.

Diffenderfer serves as CEO/COO and Diebel is the chairman of the board of directors. Solomon is a Director.

DreamStream has a wholly-owned subsidiary in Eastern Europe, that consists of a 15-person research and development team which creates the technological solutions for the parent company.

Our Leadership

Michael Jay Solomon began his career in film distribution at the age of 18 by loading films on to trucks for United Artists. He joined United Artists' International Division in 1959 and by 1960 was selling theatrical films throughout Central and South America.

At age 24, he became the youngest field manager in the history of the motion picture industry when he headed up United Artists' office in Lima, Peru. In 1964, he started up MCA's Latin American Television Division while based in Mexico. By age 30 Mr. Solomon became youngest vice president.

In 1978 he co-founded Telepictures Corporation, which created the first U.S. television syndication system and then went on to become the largest U.S. television syndication company and one of the larger international television distribution companies in the world. As the company grew, it acquired and became the owner and operator of six television stations in

the U.S. Telepictures became a public company on NASDAQ after only 14 months under the leadership of Solomon as Chairman and CEO.

When Telepictures merged with Lorimar to form Lorimar Telepictures in 1985, Solomon became the new company's president and served on its board of directors. Solomon led to become the largest television production and distribution company in the world, producing TV series such as Dallas, Falcon Crest, Knot's Landing, and many more.

Warner Brothers acquired Lorimar Telepictures in 1989 and Solomon became president of Warner International Television, heading up the company's sales and marketing to television, cable and satellite companies outside of the U.S. Under his leadership, Warner Brothers became the largest TV program distribution company in the world, by 2.5 times over the nearest competitor.

About Us

He was also responsible for international telecommunication. He is a cofounder of HBO OLE, the leading pay-TV service in Latin America, and opened the door to Western programming in China, Russia, India and many more third-world countries. He was the first international distributor of The Grammy Awards, MTV and "E" Entertainment Channel, and is a Founder of the American Film Market Association. He is also known as the father of the Israeli cable industry.

Following a five-year tenure at Warner Brothers in which he increased international television revenues more than 400 percent and built a lasting international structure, Solomon left in April 1994 to launch his own television communications companies, Solomon Entertainment Enterprises.

From 2003 to 2005 Solomon was the chairman of AGU Entertainment Corp., now known as Tube Media Corp., the nation's first 24-hour pure music digital network available in 18 million digital cable homes. He is still

a major stockholder in the corporation. Solomon currently serves as president and chief operation officer of Solomon Entertainment Enterprises (SEE), a worldwide content provider to all forms of television, home video, internet, and wireless phones.

Recently, he was named Chairman of Vertigo Theme Parks, Inc., a 620 acre theme park located near Cali, Colombia, which features five roller coasters, including the longest and fastest coaster in the world, shopping centers, gaming, a bull-fighting ring, equestrian center, and many more attractions.

Solomon serves on the Board of Directors of Industrial Enterprises of America (OTC), a specialty automotive aftermarket supplier. He also serves on the Board of Overseers of New York University's Stern School of Business (18 years), is a Founder of The Sam Spiegel Film & Television School in Jerusalem, and was Founding Chairman of The Jerusalem Foundation of the West Coast of the United States.

He has received his undergraduate degree from New York University's Stern School of Business and was awarded an honorary Doctor of Law degree from Boston's Emerson College.

DreamStream Role:

Solomon, as a founder and 25% stakeholder of DreamStream LLC, is responsible for applying his vast experience and connections in the entertainment business and beyond to the following areas:

- Attain content for our distribution platform, DreamStream Studios including movies, television shows, original material and more.
- Utilize his relationships and reputation in the business world to leverage DreamStream LLC's potential in all available vertical markets.
- Provide guidance and counsel to the leadership team of DreamStream LLC helping to guide the company to maximum financial returns for the investors while ensuring long term growth.

About Us

Scott Diffenderfer is a thirty-year veteran of the hospitality industry. He held several management positions before opening his own restaurant at the age of 26. From there he transitioned into the hotel business and a seven year run with S&A Restaurant Corp in various management positions.

Diffenderfer is a former Vice President of Cracker Barrel OCS, Inc. where he was responsible for over \$300 million in sales and \$30 million in profits annually.

In that capacity, he opened several new markets throughout the USA and led a team of over 25,000 employees for several years as he helped to guide the company from 75 to over 400 operating units and a leader in the marketplace.

Diffenderfer's ability to innovate and motivate contributed to his meteoric rise through the ranks of the company as he produced record setting results and a growth rate of greater than 20% annually.

Currently Diffenderfer is the COO of the Messianic Israel Alliance, an international non-profit organization that he has built into a world-wide organization.

He is also a partner with Ulf Diebel in WHSC USA Inc, an eCommerce company that owns and operates several leading sites featuring products from Israel.

Diffenderfer will serve as the CEO and COO and Director of DreamStream LLC applying his expertise in the areas of daily operations, team building, and fiscal responsibility.

Diffenderfer graduated from Syracuse University in 1976 and has served on the Restaurant Association of Maryland's Board of Directors.

DreamStream Role:

Diffenderfer will guide the daily operation of the company applying his expertise in leading multiple teams of people towards common goals and a singular vision. He will be instrumental in the early years of DreamStream in the following areas:

- Attracting and building the core leadership team.
- Guiding and directing the daily operations of the company.
- Communicating to the various entities of DreamStream LLC ensuring clear accountability and outstanding results.
- Partnering with leading business specialists to attain the best talent that will ultimately guide DreamStream LLC into the future.

About Us

Ulf Diebel is from Düsseldorf, Germany and is an entrepreneur who started his first business at the age of 14.

At 21 he became a major stockholder and Director of Sales in the first private commercial network in Germany – GTC GmbH, which sold e-mail and mailbox applications as well as data transfer services.

He also was the founder of FaxNet GmbH, Germany's first commercial fax service company, long before the lifting of telecommunication limitations by the state. Both companies were sold while at their peak performance.

In 1996, Diebel moved to Israel and started Revolution Media, Ltd., a multimedia company which created video, audio, and web applications. Parts of the business were sold to AOL founder Steven Chase in 2004.

Since then Diebel has served as managing director of WHSC Ltd. Israel. WHSC Ltd is an electronic commerce company that operates some of the

most advanced e-commerce sites in the world and features products and services from Israel.

Together with Scott Diffenderfer, Diebel owns and operates various businesses in the United States and Israel, with close contacts in Europe and India.

Diebel will serve as the CDO (Chief Development Officer) for DreamStream LLC. In this capacity, Diebel will be responsible for maximizing the revenue potential of our technology through identifying and developing multiple vertical markets.

Diebel will assume the position of Chairman of the Board.

DreamStream Role:

Diebel will assume the role of CDO as visionary for DreamStream LLC. He will apply his international business acumen to pursue market possibilities throughout the globe, specifically involving:

- Exploring the potential revenue streams for our technology and prioritizing these opportunities.
- Developing solid business plans for each vertical market.
- Building relationships in the various industries we enter to maximize the revenue potential of each industry to the DreamStream LLC investors.
- Communicating to the Board of Directors the vision and accomplishments of DreamStream LLC.
- Be the public face of DreamStream LLC.

Current Market Analysis

The problems in our digital world are without boundaries. Hackers in China copy motion pictures from the United States.

Nigerian Internet bandits are stealing identities in Europe. Polish and Russian companies are offering “spam” delivery services with 100% untraceable delivery guarantee.

and other illegal activities of third parties. The amount lost in productivity and money due to e-mail “spam,” viruses, forced system failures, and the like cannot even be measured.



Corporate spies break into Fortune 500 organization networks to steal the latest research and development results to sell them to the highest bidder.

The financial damage is estimated to be around \$400 billion per year.

The motion picture industry alone loses \$20 billion per year due to piracy. Software companies acknowledge a \$25 billion loss due to illegal copies.

In the United States, it is estimated that \$50 billion is lost every year due to identity theft.

Corporations lose \$260 billion per year due to hackers, break-ins, denial-of-service attacks,

While everybody knows that these problems exist and many companies have attempted to offer a “peace of mind” security solution, none of their solutions have actually ebbed the flow of these types of losses.

Each year the damage in these areas is growing. Prominent security failures are reported almost daily and all major Internet companies have been affected.

Regardless of firewalls, copy protection, secure socket layers, satellite encryption, and other similar methods, the security problem exists and continues to grow. The damage for next year and beyond will be even greater if effective counter measures cannot be employed.

Current Market Analysis

The security backbone of today's technology was developed in 1977. Thirty years ago, before the dawn of the Internet, three cryptographers came up with a new method to encrypt data.

Today two encryption standards are deployed. One is the RSA algorithm from 1977 which is widely used within variations like the RC5 while the other is the AES.

The highest form of encryption is used in day-to-day applications like WIFI and VPN (Virtual Private Network). AES comes with an encryption for VPN with a 256-bit key.

While some "experts" have stated that the current encryption standard is sufficient and that no one should be able to penetrate such strong keys, WIFI and VPN connections are hacked daily and with ease, and valuable data is stolen and sold on the black market.

Information is now the world's most valuable commodity. Almost all information is now created, stored, and distributed digitally.

If you watch a movie from a DVD, access the Internet, listen to your satellite radio, or save a file on your corporate network, information is handled in

a digital environment and thus is vulnerable and exposed to any number of illegal attacks.

A fitting comparison with encryption technology's current state is a lock in a door. The problem may not necessarily be the lock, but the door itself. If the door is of poor quality, even the best lock cannot prevent a burglar from kicking it in. Current encryption standards are a bad "door" guarding invaluable data.

DreamStream's Secure Technology Solution

DreamStream's technology presents a completely new security set-up.

It not only serves as a "lock," but also as an entirely new, impenetrable "door," protecting any kind of information from intruders. Our secure technology solution consists of five different modules, which together build a closed system platform.

This platform can be used to develop various types of security solutions, adjusted to specific problems for different industries. Due to the modular approach, development time is short and inexpensive.

DreamStream's Secure Technology Solution consists of the following modules:

Encryption Module

Before any data is submitted to the closed system, the data is encrypted via an encryption module, which allows users to encrypt their data with a 2048-bit key.

The module can be combined with any other piece of software which then allows additional upload of information, e.g. owner or content of the file.

Depending on the type of application this module is as small as 40kb and fits on the cheapest chip available for maximum performance.

That means that a phone encryption module which costs around \$1,500 to the end customer can use a \$0.50 chip to perform the required task.

Storage Server Platform

This module receives and stores the encrypted file and releases it only after a verified request. After the verified request, the server then delivers the encrypted file via streaming or normal file transfer, depending on file type and application.

The encrypted file resembles "white noise" and leaves no fingerprints therefore the file is un-traceable during the transmission process.

Due to the architecture of today's networks it is a given fact that at some point the server is "online" and has an open port to communicate with the outside world.

These ports, though password protected, present the entry point of illegal access. For instance, if an employee provides this user name and password to an unauthorized third party the integrity of the system is jeopardized.

The new DreamStream Server Platform solves this problem. Due to our unique set-up the files are safe in an unlikely event of treason, server failure, password hack, etc.

DreamStream's Secure Technology Solution

DreamStream Client

The DreamStream Client decrypts the content in real time as soon as the file is received. Preventive security measures make it impossible to copy any data from the data transfer between the client and the storage server platform.

In an online environment the client serves as a kind of shell, keeping the information in a form of bubble. This means that the information can not be stored on a local device if the file owner does not allow it. This feature is especially useful in applications where the user pays for the one time use of the information. Additionally, if a company wants to give access to data to field workers without letting them store and share this information, the data will be secure.

Payment and Gateway Server

For all secure transfers, the Gateway Server is essential for the delivery of the data and is "located" between the client and the Storage Server Platform as a gatekeeper.

This gatekeeper protects the location and address of the Storage Server.

This means that before the client is able to receive any data, it must request the data from the Payment and Gateway Server.

Only the payment gateway is able to verify and identify a user via specific criteria. (regardless of whether there is a monetary transaction or not)

These criteria can be credit card numbers, user names and passwords, fingerprints, retina scans, voice recognition, or any other biometric verification processes. The Payment and Gateway Server sends back a single, and if required, unique key, which is in itself encrypted, as well as the location of the data. The supplied key unlocks the encrypted data.

While the complete process is very technical and requires several steps before the data can be accessed, the actual delivery and decryption is very fast. Once the verification process is finished and data delivered, that data is decrypted in near real-time: 4 nano-seconds.

Depending on the data accessed, the whole process takes about the same

amount of time as requesting a website from a server.

Administration

This last module administers the Storage and Gateway Server to allocate data to various locations, grant access to different data editors on various levels and regulates the security set-up of different parts of system.

Depending on the data delivered to the Storage server, the addition of that data is handled on the administration side. That means if a customer grants access to files on a pay-per-use basis, Administration is able to set prices, pay commissions, pay affiliates, and give reports to all involved parties.

Different access levels allow the data owner to give different authorization to multiple users. The data owner decides if the data is free, pay-per-view, or viewable via a subscription model, or is stored for internal use only.

After the data owner sets his parameters, the Administration Server handles the rest.

Initial Market Entry – DreamStream Studio

As laid out in the previous two sections of Market Analysis and DreamStream's Solution, DreamStream has the Technology to solve every security problem existing in the digital world today.

But while we could solve every problem, our search for an entry market based on several criteria. These criteria were:

1.) Speed of market entry

We have found a market which we can enter in as few as four weeks.

2.) Cost of market entry

We have found a market which we can enter at low cost of just \$5 million.

3.) Time involved to generate positive cash flow

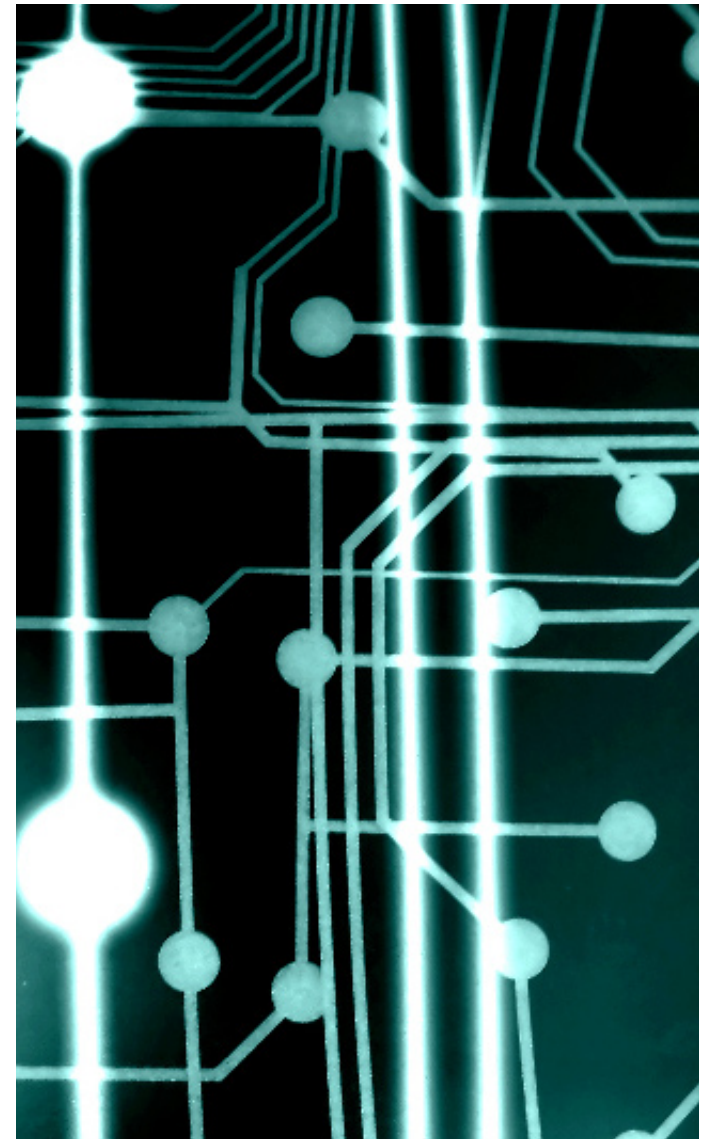
We have found a market where we can generate a positive cash flow in as little as four months.

4.) Easily explainable product, service, or application

We have found a market with a product that everybody understands and 98.7% of all households are using.

5.) A young and growing market where competition doesn't fight over market share

We have found a market which recognized institutes have predicted a growth rate of over 12,000% by 2009 and a total volume of \$44.bn by 2012.



Initial Market Entry – DreamStream Studio

The market which we have found is the market for the online distribution of video content.

As mentioned earlier, the motion picture industry suffers an annual damage of \$20 billion due to piracy and currently is looking for a new way to distribute their motion pictures via secure channels.

Only an online distribution of video content will yield the level of security that the studios want and the content that households desire.

Due to the rapid development of broadband into more and more households, (nearly 100 million broadband access points worldwide by the end of 2006) the distribution of content is changing at a rapid pace.

The various applications of TV and Internet distribution are quickly multiplying.

DreamStream LLC developed DreamStream Studio to specifically address

this emerging market. We offer a 100% secure distribution platform for digital video content. We can do it. We can do it today.

1.) Speed of market entry

The DreamStream Studio distribution platform is completely developed and can be launched in as little as four weeks after funding.

2.) Cost of market entry

In order to finalize the installation, purchase the necessary hardware and bandwidth lines, arrange the marketing, and launch DreamStream Studio, we need a total of \$5,000,000.

3.) Time involved to generate positive cash flow

Due to our unique approach to cater to this rapidly growing market, we believe that we can generate a positive cash flow in as little as four months after we begin to execute our business plan.

4.) Easily explainable product, service or application

Today, 98.7% of US households have a TV set DreamStream Studio can deliver TV on demand, allowing you to watch whatever you want, whenever you want, via any Internet broadband access point.

5.) A young and growing market where competition doesn't fight over market shares

This market became technologically possible with the introduction of broadband to a critical mass of households. This market is fresh and in its infancy. A prediction by Infonetics Research, an international research group for data networking and telecom, expects a growth of North American paying subscribers to video services over the Internet of 12,985% by 2009. The same report states that the total amount spent by 2012 on these services will amount to \$44 billion.

DreamStream Studio

DreamStream Studio is a secure and easy to use video distribution platform. Publishers and content owners can upload their content, establish a price, advertise it via various online marketing channels, and sell it directly to the end customer. When the end customer chooses to watch a video, the movie begins immediately in DVD or near HDTV quality.

DreamStream Studio is the first available online distribution platform for independent film producers which will allow them to capitalize on their content without the fear of piracy.

All digital content owners will have the ability to improve their distribution and financial returns through DreamStream Studio as well.

From a customer perspective, DreamStream Studio provides the ultimate TV experience. Now, individuals will be able to watch outstanding quality programs whenever they want. The future of movies and television is here.

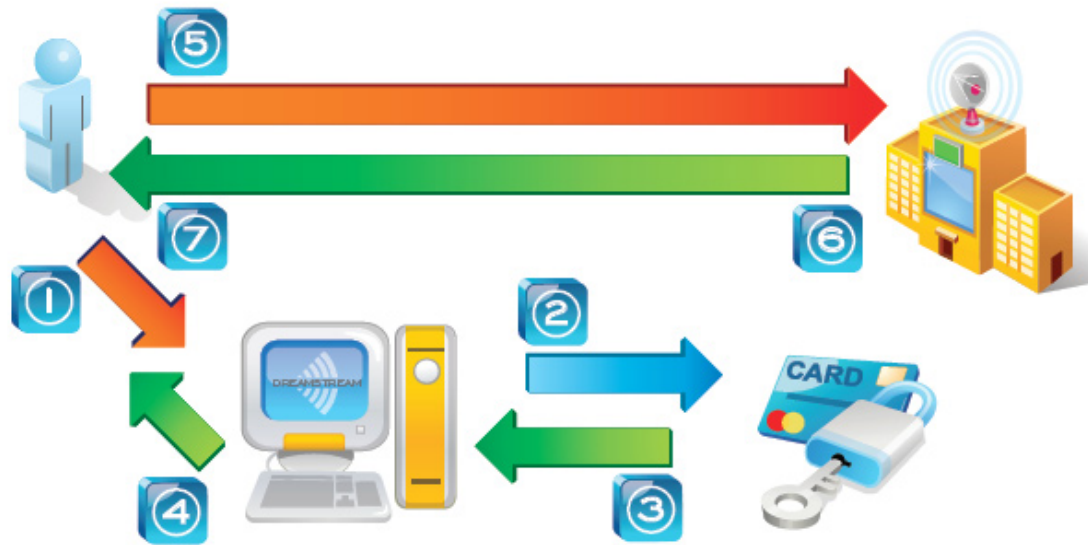
DreamStream Studio is the first application of DreamStream's five modules of Secure Technology Solution™.

The DreamStream Studio System

This system is developed to allow the end-user, employing any form of data transmission including Internet, satellite communication, cable communication, mobile phone communication, and any other form of data transmission, to browse 100% securely through available content or application such as video files, audio files, voice communication, banking transactions, application and any other form of digital data. The end user may also make payments for selected and protected data and utilize it.

An example of the general system set-up for the delivery of secured video content is provided in the graphic below. The system can be adjusted to any form of content or data. The full process undergoes the steps and tasks on the following page:

DreamStream Studio



1.) Client requests content.

2.) The system checks the authorization of the request and in case of a missing payment, requests the payment for the content via the payment gateway.

3.) The payment gateway confirms the request for content, after the successful payment authorization or verification, and sends the authorization for the display/delivery of the content to the web application.

4.) After the web application receives the authorization of the payment gateway, a unique and encrypted key is transferred to the client as well as the location of the secured (encrypted) content.

5.) The client requests the authorized content from the content server platform.

6.) The encrypted content is streamed to the client.

7.) At the client, the content is decrypted via the content player.

Note:

The Content Server is a secure Web server. Between the content server and the client exists a secure SSL protocol connection for the exchange of non-content related data (e.g. user information).

The interception of the video file during the transmission process is impossible, as the file is streamed in the encrypted form, which appears as “white noise” on the communication lines.

Additionally, no form of interception program is able to recognize the file, because no known interception programs are able to obtain frames, format, or any form of “fingerprints” of the streamed file.

DreamStream Studio

Encryption Module

The process is as easy as 1-2-3

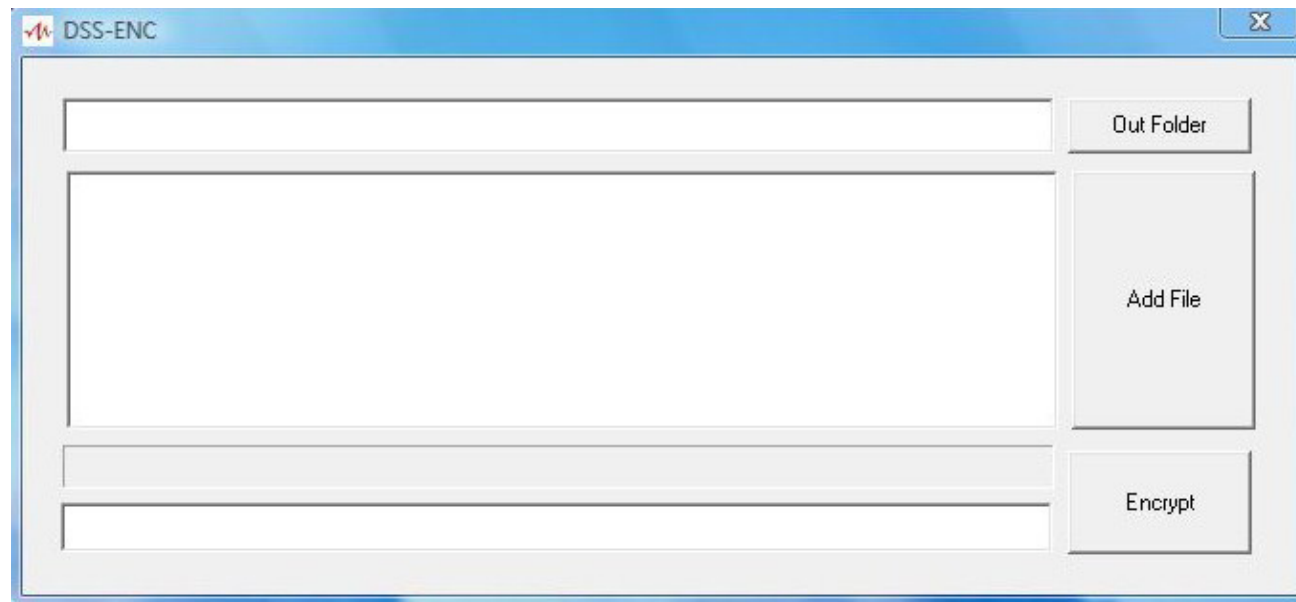
As a DreamStream Studio publisher, you are able to download the DSS-ENC application module, a piece of software which allows you to encrypt and upload your video file to our platform.

1.) Choose the directory on the publishers PC to which the encrypted file should be written.

2.) Add any number of video files for encryption.

3.) Click the encrypt button.

The interface is intuitive and the application easy to use.



(Screen shot shows minimized picture of application)



DreamStream Studio

Storage Server

All content is stored on an expandable HP Blade system, which allows storage of an unlimited number of movies in different qualities.

All files are encrypted with the DreamStream proprietary .TVI file format.

DreamStream Client

NOTE: The design of the player, including logo, will be changed before Beta Testing.

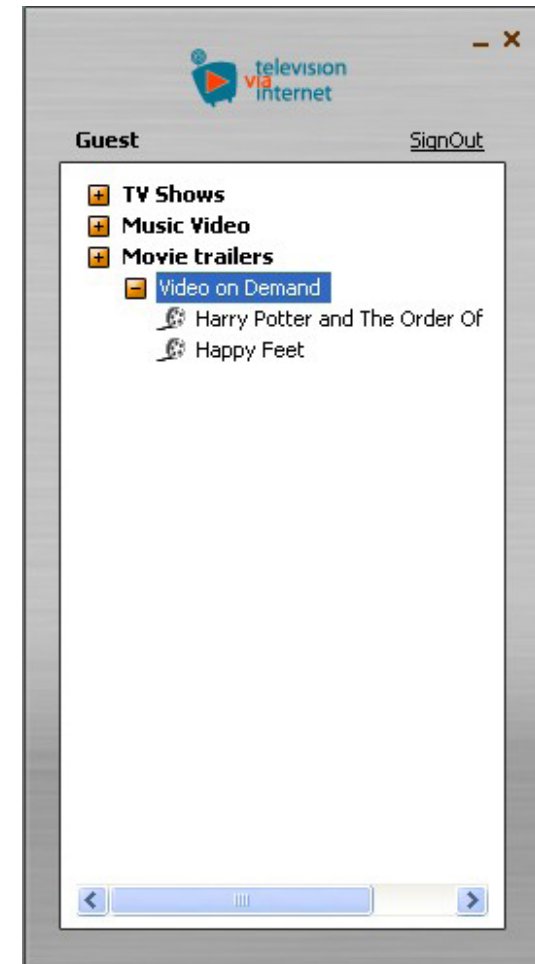
The TVI player is a proprietary video player with the following features:

1. Login and user registration

The screenshot shows a web browser window with the 'television via internet' logo in the top left. A 'Register' link is in the top right. The main content area contains a form with the following elements:

- E-Mail address: A text input field with a dropdown arrow on the right.
- Password: A text input field.
- Use Guest Account: A checked checkbox.
- Remember Me: An unchecked checkbox.
- Remember my Password: An unchecked checkbox.
- Sign me in automatically: An unchecked checkbox.
- Connect: A button at the bottom of the form.

2. A content selection tool, which is displayed after the user signed in or registered



DreamStream Studio

3. A video player with the features listed below:

- a. Replay of common used video formats like .avi, .mov, .mpeg etc.
- b. Replay of .tvi extension files
- c. Decryption and replay of BES .enc streaming cipher files
- d. Play
- e. Stop
- f. Status bar with the possibility to “jump” to any place in the video file
- g. Full screen display

The player set-up works as follows:

- 1.) The encrypted digital content is placed into a secure storage facility.
- 2.) A TVI Player user requests the content.
- 3.) Before the user can access the content he has to identify himself with his credit card and user information to the payment server using the login user interface. See previous page.

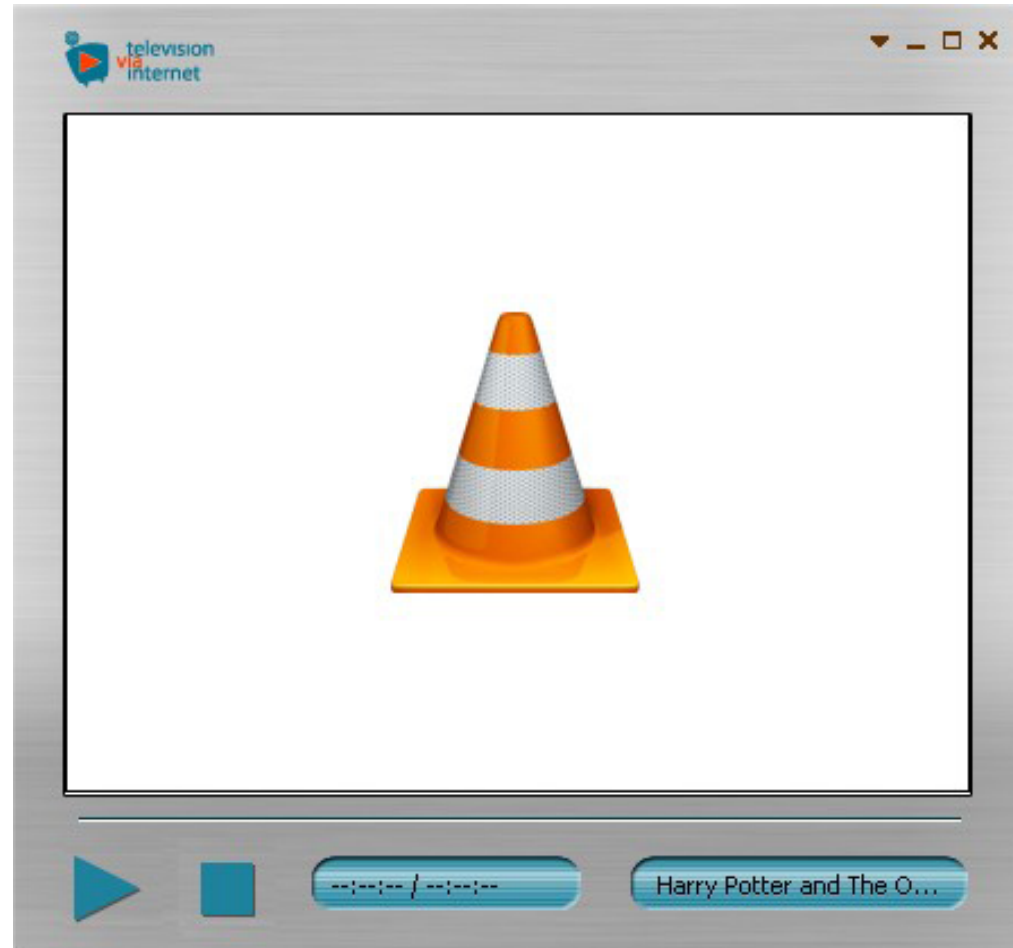
4.) After successful identification, a secure, “virtual tunnel” is built between the TVI player client and the TVI Storage Server

5.) The content is converted into the special TVI format.

6.) The encrypted content is streamed to the player.

7.) The client player decrypts the content.

8.) The client player shows the content.



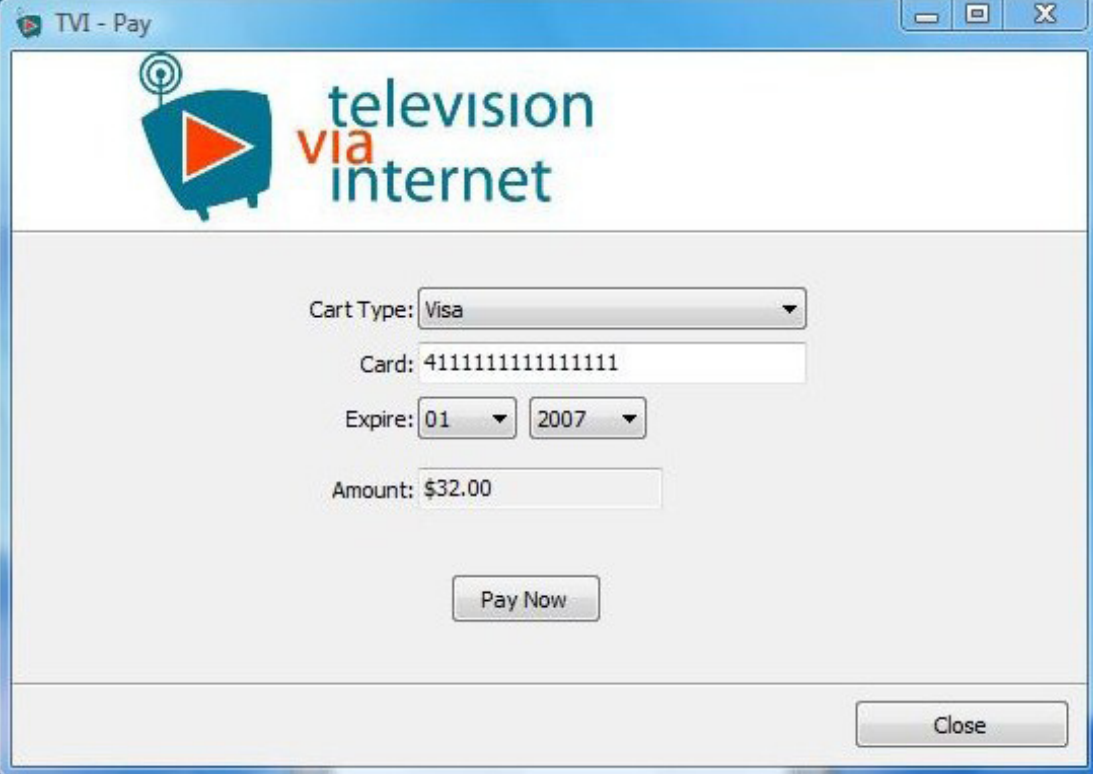
DreamStream Studio

Payment and Gateway Server

After the customer chooses his movie, the Payment and Gateway Server verifies his request. If the customer doesn't have the authorization to view the video, he is asked to sign up for an account and pay with his credit card.

The process is as easy as any online shopping experience.

The customer has the choice between a payment of \$10 or more to fill up a prepaid account or to join DreamStream Studio as a subscriber for a flat fee.



The screenshot shows a payment window titled "TVI - Pay". The window has a header with a logo of a television with an antenna and the text "television via internet". The main content area contains the following fields and controls:

- Cart Type: A dropdown menu showing "Visa".
- Card: A text input field containing "4111111111111111".
- Expire: Two dropdown menus showing "01" and "2007".
- Amount: A text input field containing "\$32.00".
- A "Pay Now" button.
- A "Close" button in the bottom right corner.



DreamStream Studio

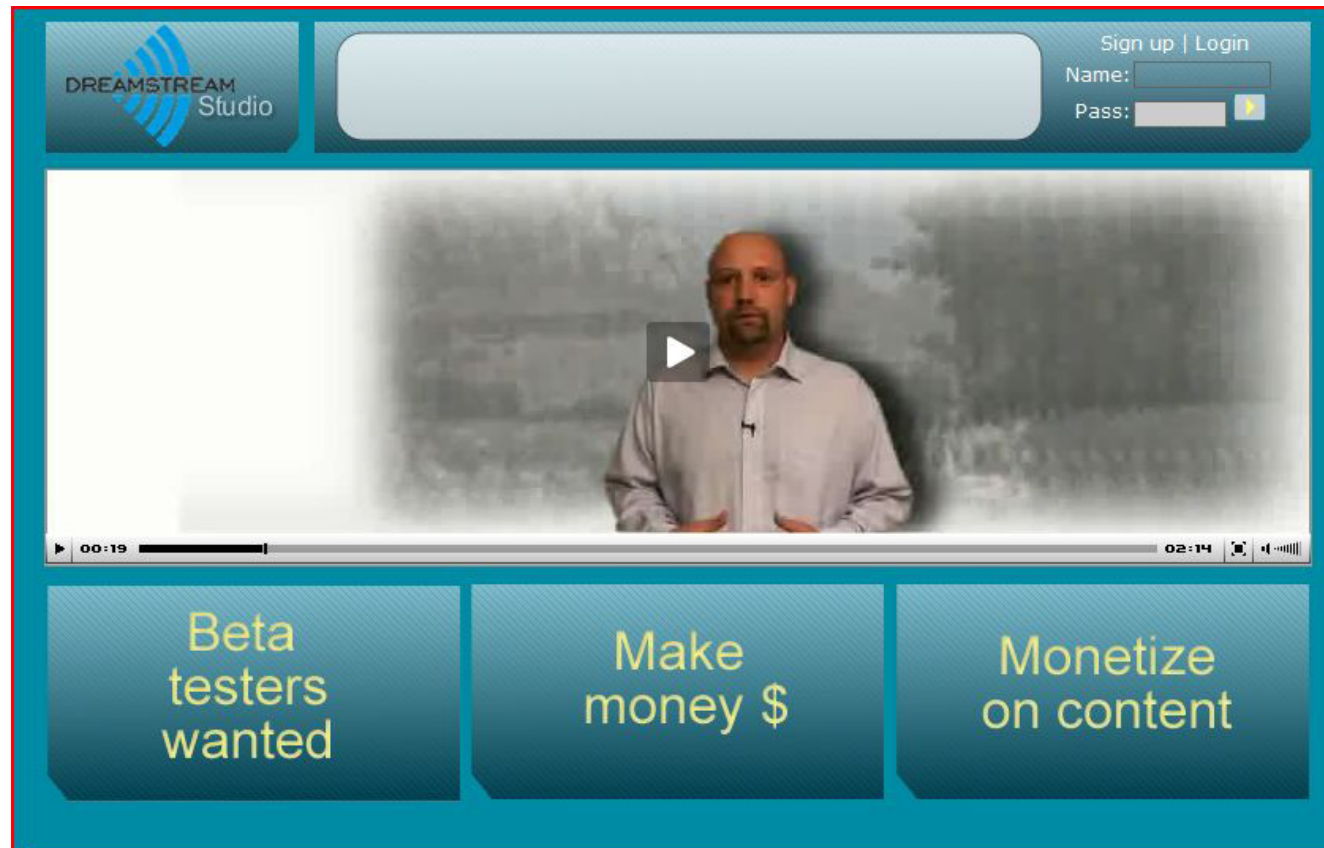
Administration

The administration module is the same for customers, affiliates, publishers and editors.

The log-in is on our main website: www.dreamstreamstudio.com

Depending on the account, the user has different options, including user statistics (customer account), reports of earnings (affiliate and publisher ac-

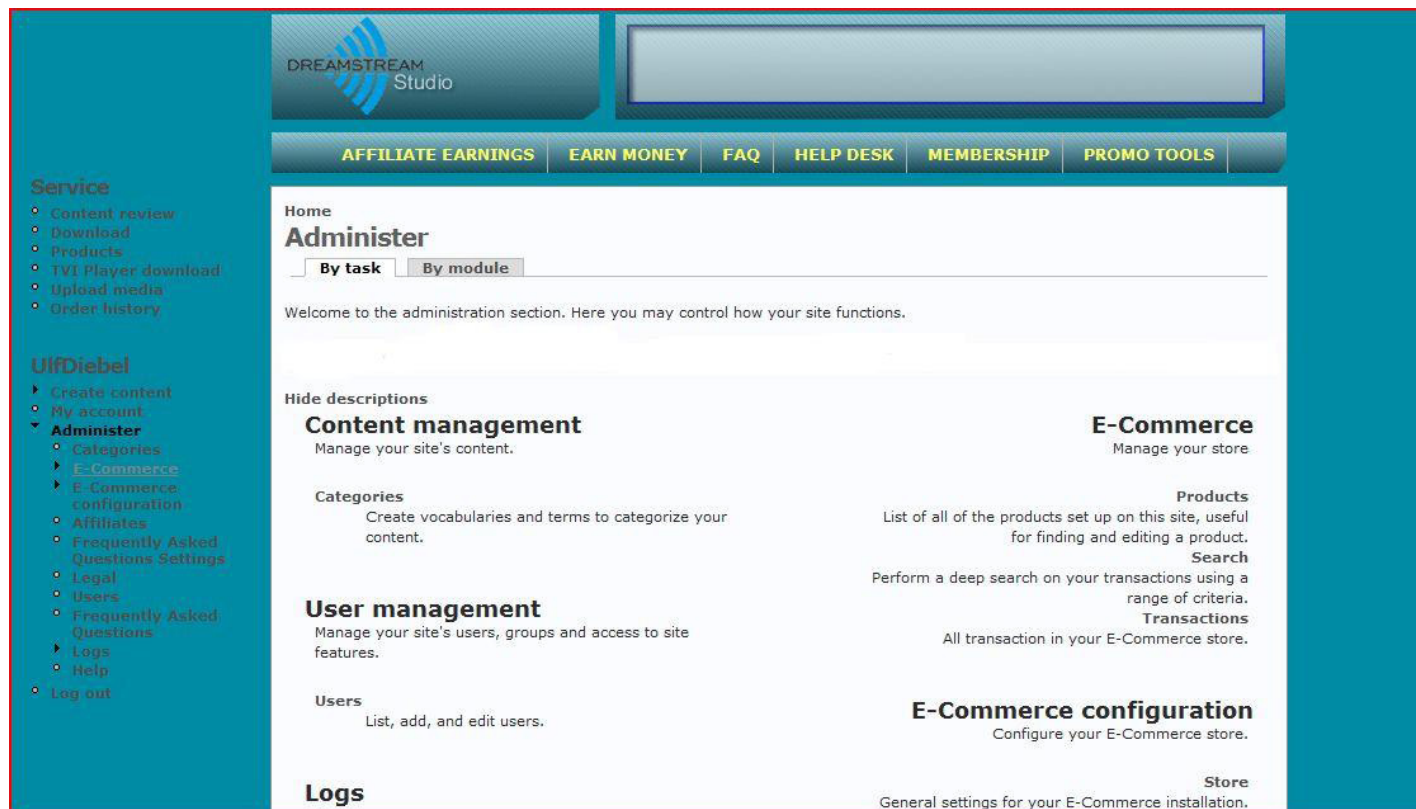
count), access of promotional tools (affiliate and publisher account), change the sales page of a movie (publisher account only), or give access to a movie (editor account only).



(Screenshot of the website during production process, pre-release)

DreamStream Studio

Below is a picture of the screen of a “super user” an administrator who is able to set and maintain any other user within the system and who is able to grant and revoke any access over all levels.



(Actual screenshot of the administration area pre-release)

Business Model

DreamStream is building its entry market business of DreamStream Studio on four proven income streams: pay-per-use, pay-for-service, licensing, and advertising.

Pay Per Use

The pay-per-use model is a simple process where the user pays to watch the content.

The user has the choice between a prepaid account and a subscription.

If the user has a prepaid account, each time he watches a movie the price the publisher sets for his content will be deducted from the account balance.

Once the account balance falls below a certain level, the user is asked to refill his account.

When the user decides to subscribe to our service, he has the opportunity to choose between three different accounts for three different movie qualities. The better the quality of the movie, the more the user has to pay.

Pay For Service

With the service model, DreamStream will provide a service to larger content owners or already established distributors who want to create their own platform but do not want to deal with the technological side of the solution.

In this case the DreamStream Studio distribution platform is customized to the look and feel that the customer prefers.

He will pay a fixed fee for the true cost of the technological solution, plus a mark-up of 100%, and can dictate his own price. No discounts will be given, regardless of the quantity of movies streamed.

Licensing

DreamStream will also distribute the associated technology of DreamStream Studio by charging appropriate license fees for the use of the software, hardware, and other associated services, allowing DreamStream's revenue to increase with the revenue of competitors.

The licensing model is especially interesting for already established content distributors like TV networks, telecommunication companies, broadband Internet providers, and cable and satellite operators who already have an established infrastructure.

The potential in the licensing market is staggering.

The amount of videos individually viewed every day makes up at least 50% of all Internet traffic. Only a few months ago YouTube was featured on CNN because they passed 100 million video deliveries per day.

Business Model

A license fee of only \$0.01 per video on a site of that size would equal \$1 million in daily revenue.

The amount of videos distributed via unsecured methods reaches billions of delivered videos every single week.

Advertising

In addition to the aforementioned three revenue streams, DreamStream is planning to develop its own advertising model.

Media impressions from television advertising are not reliably measurable, as only sample data from a small amount of households produce the ratings of the different television channels, which are then used to determine the price of commercials during show time.

With an Internet-based content distribution platform, advertising becomes measurable in all respects. Advertising can be correctly targeted to specific demographic user groups.

The targeting goes so far that during a single live streaming event, different ads can be displayed to different viewers. Past user responses can be built into new campaigns that will further define the targeting.

In this revenue model, the content owner can show his content for free and sell advertising spots that appear before, during, or after the content is viewed by the end-user.

The rights holder could pay a fixed price for each individual content delivery and in exchange, sell advertising and keep all the associated profits.

DreamStream can alternatively enter into an agreement with one of the large advertising networks such as Google or Yahoo!, allowing the content owner to provide his content for free and DreamStream to place advertising for the owner as a service.

As DreamStream's present concept is advertising-free, a parallel platform with the specified features has to be developed independently.

As the online advertising market is steadily growing and very lucrative, DreamStream plans to allocate resources for the development after the launch of the core product and the opening of the research and development center in Eastern Europe.

Competencies

DreamStream has a unique set of strengths that it can use to exploit key opportunities in the secure content distribution industry. The development team as a unit has been involved in developing military encryption technology for over 20 years. During that time, they began the processes needed to create the most secure encryption technology available. The knowledge that they gained during that time has provided them with the ability to deploy any form of software communications in any format using any technology.

This revolutionary technology allows for new, innovative methods of content delivery for a variety of artists, programmers, and many more. Both large media conglomerates and small, independent artists can use DreamStream's platform to reach their target audiences in a cost-effective, profitable, and secure manner. Live events can be streamed directly to end-user homes or businesses in a high quality format.

The online content distribution market has continued to grow in recent years and the success of web sites like YouTube have proven that there is already a strong and vibrant demand for original online content. Unfortunately, YouTube and other similar sites have been unable to protect the intellectual property rights of the content owners.

This is slated to be an increasing problem due to the fact that by 2010, 100 million users will have access to Internet protocol television (IPTV). DreamStream has the potential to serve as both a property rights protection technology and a mass distribution technology at the same time. DreamStream provides the long-awaited platform that will bridge the television and the Internet.

Naturally, an undertaking of this size does require significant financial backing for future success. Bridging television and the Internet has many associated costs, but provides the potential for a large rate of return on initial investment.

The window of opportunity in the online content distribution market is open, but will not remain so for long.

As with any other market, action must be taken before the window of opportunity closes and the market enters maturity. There are many companies currently trying to develop a solution for Internet content distribution, but none have a platform as secure or as robust as DreamStream.

With careful market positioning, DreamStream can establish itself as the market and industry standard, maximizing the potential profit and market growth available in the shortest amount of time.

Now is the time to make an investment in Internet content distribution and DreamStream provides the perfect opportunity.

Opportunity

DreamStream has the potential to become one of the largest Internet technology companies in the world during the next few years. With the distribution power of the Internet, customer acquisition is seemingly endless and cost-effective.

DreamStream solves a rapidly growing problem. Video distribution and the closing of the technological gap between television and the Internet is one of the most desired abilities within the technological industry.

DreamStream has passed the start-up phase and is **fully financed** until the launch of the first flagship product, DreamStream Studio.

DreamStream has a world-class scientific research team with literally hundreds of years of combined experience.

DreamStream's team of shareholders, developers, scientists, and administrators is unique in experience, knowledge, and has a track record to deliver proven technological solutions.

DreamStream's infrastructure includes offices in Beverly Hills, California, Lebanon, Tennessee and in Eastern Europe.

Investors are presented an opportunity to get involved with a stable start-up company with a very high potential return of investment and a calculated minimal risk.

DreamStream needs \$5 million to make this plan a reality, with a forecasted operating profit being realized in the fourth months after receiving financing.

From that fourth month onward, DreamStream should be operational solely based on this revenue.

Marketing

Careful consideration of all aspects of the challenges of our target market are required to fully anticipate market changes and consumer needs;

Currently, the publishing industry has not been able to find a fair solution that will satisfy the interests of all participants, publishers, distributors, technology partners, customers and retailers. With the DreamStream Studio distribution publishers can:

Secure content via our 2048 bit encryption

*

Upload and store content on our secure storage platform

*

Set an individual sales page for each type of content

*

Collect royalties every time their content is played, used, or viewed

*

Engage and communicate with a growing number of distributors

Time schedule and goals

The time schedule for the launch of DreamStream Studio includes an initial set-up time for the server and bandwidth. As soon as set-up is completed, we have the following targets:

Within 2 weeks after set-up:

Start of the official pre-launch phase of our affiliate program.

Within 4 weeks after set-up:

Beginning of beta test period.

Within 8 weeks after set-up:

DreamStream Studio platform will be ready for public release.

Parallel to the deadlines of the full release of DreamStream Studio are the following goals concerning sign-up and user accounts:

- 50 participants during first week of the unadvertised pre-launch site
- 10,000 participants during the beta test period

• 100,000 participants on the official launch date, including 5,000 paying memberships

- Secure a minimum of \$100,000 in monthly membership fees on launch date

Customers - User

Customers are divided in two major groups: users and content owners.

A user is the person who pays a fee to access content stored on our platform. The user can choose between four different levels of membership:

Free ~ User signs up for a pre-paid account and receive \$5 credit to view any content of their choice. When needed, credits can be refilled in increments of \$10 or more.

Bronze \$19.95 per month ~ Users sign up for an unlimited account, meaning that they are able to watch any movie within the DreamStream Studio database which has permission from the publisher to be shown within

Marketing

a flat fee environment. The account is limited to “good” quality movies.

Silver \$24.95 per month ~ Users receive the same benefit as Bronze members, but can watch DVD quality movies.

Gold \$34.95 per month ~ Users receive the same benefit as Silver members, but can watch HDTV quality movies.

Every user can participate in DreamStream’s refer-a-friend program. For each referral the user receives 25 percent recurring referral commission.

Customers - Publisher

The publisher, or content owner, pays a fee to sell his content via our platform non-exclusively. The publisher also serves in the capacity of an affiliate and is next to the marketing team of DreamStream Studio responsible for the marketing and sale of his content.

For each client sign-up referred by the

publisher, the publisher will receive a recurring, life-time affiliate commission of 25% of the total sales amount.

DreamStream will offer three types of publisher accounts.

All types include free upload modules, detailed system instructions, material explaining how the publisher can maximize personal financial gain, and a 25 percent royalty of all content sales.

Each submission of content will be personally handled by an assigned editor, who will manually verify the ownership of the content as well as the accuracy of the sales page setup.

The advantage of being a publisher with DreamStream Studio is that, not only will the publisher receive up to 50% of the revenue for his own content, but also up to 25% for the sales of content of others. Thus, the publisher is encouraged to actively promote the four different memberships for each user.

Overview of the three different Publisher accounts

Account Features	Premium	Standard	Free
Max. uploads	Unlimited	20	1
Possible qualities	DivX,DVD, HDTV	DivX, DVD	DivX
Max. file size	Unlimited	1.5 GB	1GB
Affiliate commission	25%	25%	25%
Monthly price	\$149	\$39.95	Free
One time offer	\$99	\$29.95	Free

Marketing

A publisher, affiliate manager, and associate will make sure that the publisher and affiliate understands the publishing and sales process and will work with them to actively promote DreamStream Studio.

This type of system is set up so that the majority of the marketing costs will be covered by publishers and affiliates, with only minimal marketing costs directly billable to DreamStream.

There is an endless supply of potential publishers and affiliates.

Every church that tapes a Sunday sermon is a potential publisher and affiliate.

Every independent filmmaker, documentary producer, television station, sport event organizer, concert or theater producer can be a publisher and affiliate who drives traffic to DreamStream Studio.

The Sales Process

Each and every sale will follow a similar series of steps, which are the same for both end user and publisher relationships.

- 1.) Internet traffic is directed to our site
- 2.) Free account is signed up
- 3.) After sign up, one-time reduced membership fee is offered
- 4.) After paid membership is processed, one more one-time offer will be presented, allowing a discounted monthly fee for an additional upgrade to the Gold membership level
- 5.) Users download the DreamStream Studio player and publishers download the upload software and related documentation
- 6.) Customers enter membership area with exclusive online content, such as bonus marketing tools and reports

Directing traffic to the DreamStream Studio web site is the most important step.

DreamStream is preparing a number of joint ventures with established internet marketing businesses, where professional affiliate marketers with successful track records will enter our affiliate program to promote every aspect of the business.

6 Months Action Plan

To bring DreamStream Studio to market, DreamStream has set up a three phase action plan. We will begin to execute this action plan, after receiving a minimum of \$500,000 in funding. Until we receive this minimum amount, all funds will be held in escrow.

Phase 1 * Set-up

Month 1-2 after funding

During the first two months, we will lay the groundwork to launch DreamStream Studio. We will set-up our Tennessee office, hire qualified personnel, set-up the necessary legal and accounting procedures and establish the infrastructure for DreamStream Studio.

The establishment of the DreamStream Studio infrastructure includes the choice of the right hardware vendors for the application servers and the choice of the right colocation for these servers.

Phase 2 * Market Entry

Month 3-4 after funding

At the beginning of this phase we will install the hardware, set-up the network and prepare the launch of DreamStream Studio. During this preparation time, we will build our content management team and the customer service team.

At the beginning of month four we will enter into the official wider Beta Testing phase of DreamStream Studio, with an official launch of the application at the end of the same month.

Phase 3 * Growth

Month 5-12 after funding

After the launch of DreamStream Studio, we can focus on the growth of DreamStream, including the active pursuit of sales in the different areas of revenue as laid out in the Business Model section. The growth of sales will be accelerated through a sales and marketing team, an exhibition team, and will be supported by an outside advertising agency.

During this growth phase we will hire additional personnel to support the various departments of the organization and consolidate our European developers, engineers and programmers into a local R&D facility.

We will also begin to look for a new CEO who will be able to support the growth over the coming years.

Risk Analysis

Risk calculations during the development of the different product stages are as conservative as possible. The current technology possessed by DreamStream took 30 years to fully develop.

It is extremely unlikely that a competitor could develop another system that is as complex and as powerful as the one that DreamStream offers in a few short years.

Nevertheless, the core technology is on the edge of technological research and even the most conservative estimation can be wrong.

The marketing plan is based on average conversion rates and customer acquisition costs of comparable business models. If the average acquisition cost per customer is higher than expected, operational profit could be postponed.

As the digital content delivery market is in its infancies, reliable data of user behavior is not available.

The overall adaptation time of new technology has accelerated with the dawn of the Internet.

While it took 25 years for 25 percent of all households to have a TV set, the Internet was adopted by 25 percent of households in only seven years.

YouTube was able to gain 75 million users in only nine months. Nonetheless, all new technology requires some degree of user adaptability. Different technological standards might slow the adaptation process.

Current and potential competitors do play an important role in risk analysis. There are a multitude of organizations that desire Internet content distribution platform dominance and many heavy-hitters, such as Google or Amazon, could certainly affect DreamStream, primarily by quickly establishing a distribution platform (albeit inferior to DreamStream's platform), building a customer base quickly, and then using heavy switching costs to their advantages.

Even if they do use all of these methods, the DreamStream technology is so revolutionary that it is safe to assume that customers would be willing to pay these switching costs in order to access DreamStream's content offerings.

Finances

The financial data displayed in Appendix A is based on a thorough study of all planned action and estimated income explained in the business plan.

Many of the figures in Appendix A may need some explanation, but it is important to note that DreamStream has paid all costs for the completion of DreamStream Studio.

The remaining adjustments before launch will be coordinated by our European office and will cost around \$10,000. Some of the figures from Appendix D are explained in this section.

Expenses

Bandwidth will be DreamStream's largest single cost well into the future.

DreamStream Studio will support connections as fast as 4 MB/s. There are only a handful of network operators who are able to offer the kind of bandwidth we need.

Our estimation is that we need one 10gb/s line per 250,000 unique users and a subscriber base of 10,000.

The bandwidth requirement is based on the assumption that a maximum of 50% of all subscribers are online at the same time.

The cost per dedicated 10gb/s line is \$120,000 per month.

Communication includes the full array of modern communication costs: Internet, cell phones, and WiFi access for laptops for all offices.

Travel Due to the different locations of the DreamStream offices, it is necessary to travel regularly. As DreamStream matures, representatives will travel to various destinations around the world.

Legal is a conservative estimate, based on the \$400 per billable hour charge for media legal services.

PR Agency costs are derived from those quoted by the 5W agency in New York.

Income

Unique Users - DreamStream will drive traffic to the platform via viral marketing strategies and affiliate marketing. Twenty-five percent of the monthly revenue will be redistributed back to the users through our affiliate program. This business model will compel every user to introduce new members to the platform.

The estimated conversion rate of unique users to subscription customers is conservatively calculated at 4%.

iTunes reported a conversion rate of 10% of all registered users, who purchase one item (song or video) per week. Our income calculation is based on these numbers, which are based on millions of consumers and years of experience.

The Future

The focus of this business plan is DreamStream Studio. However, this is only our first step. The technology and expertise we possess is able to be utilized in a wide variety of industries.

Over the coming years DreamStream LLC will selectively expand the application of our world class technology. We will develop a line of vertical markets in industries such as banking, credit cards, internet, cable TV, music, and others that will greatly benefit from the application of our technology in their particular business model. As BASF once said, "We don't make the product you use, we make it better."

Our ability to secure and deliver digital content will increase the profitability of any client who today loses margins through piracy and Internet theft. We can secure their future and deliver immediate financial results while also serving as a competitive advantage for them in their particular industry.

Our Strategy

DreamStream LLC will serve as a holding company for a variety of businesses serving multiple vertical markets. We will attract and retain industry leaders that will champion our advance into these vertical markets.

Each business will be treated as a stand alone entity on the operations side, allowing the appointed leader to apply his expertise to maximize the long term revenues of their business. We will create a positive working environment which, when combined with our exciting financial model, will bring industry leaders to DreamStream LLC.

Each new application of our technology will require an estimated development time of three to six months to bring it to market readiness. While our technology team develops the specific application, our management team will be built for each industry.

Three Year View

Within three years of our launch of DreamStream Studio, DreamStream LLC will become a collection of businesses whose primary purpose is to license our technology and serve as ongoing consultants to that industry for the application of the technology.

This business model will allow DreamStream LLC to:

- Attract and retain top industry leaders
- Provide a significant asset to existing businesses
- Become the leader in innovative digital security applications
- Provide exciting financial returns to our investors annually

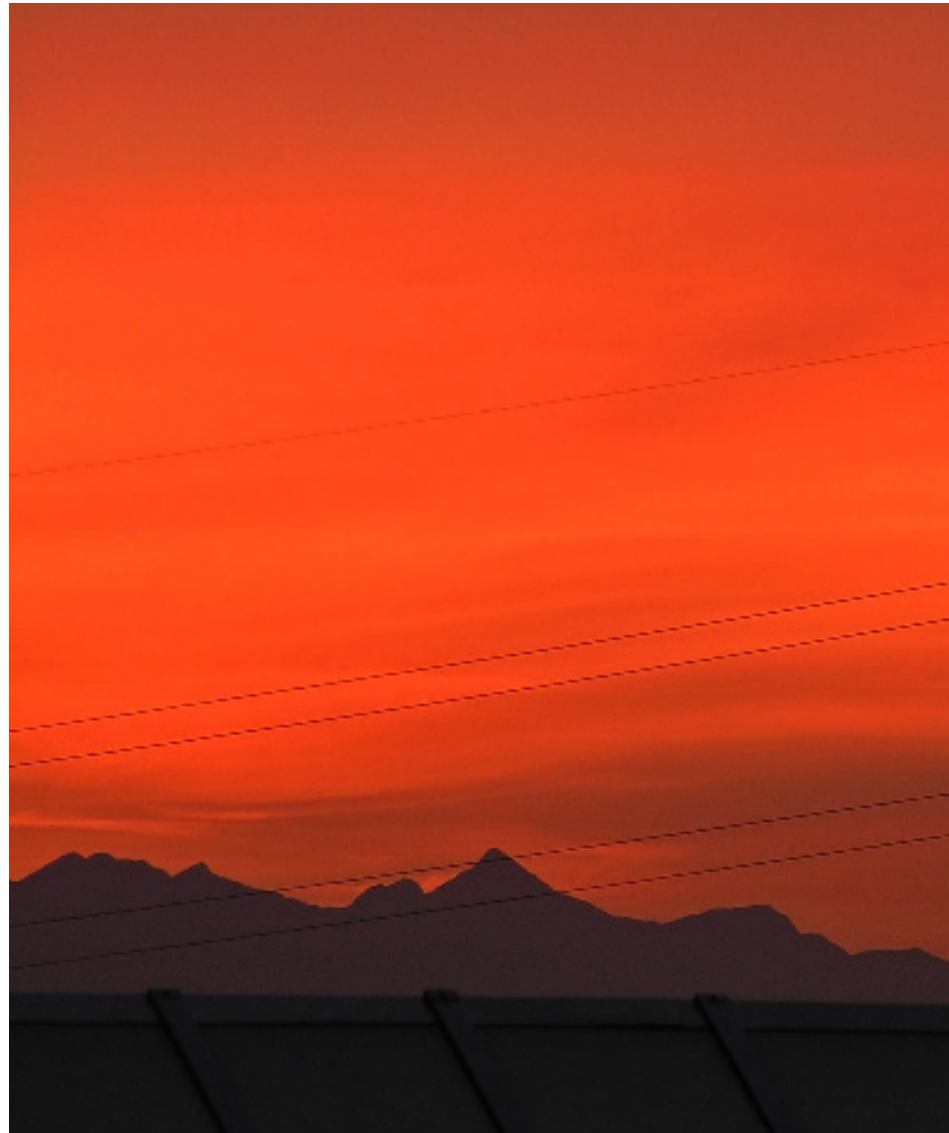
The Future

Five Year View

DreamStream LLC plans to go public within five years. The initial owners will retain control of the company as we move to the public sector.

At the time of the public offering DreamStream LLC will have an established financial track record of increasing profitability and solid management. This will propel the value of our IPO into the upper echelon of offerings.

DreamStream LLC will retain a proven entity to guide our transition from the private to public sector.



Conclusion

As outlined in this business plan, DreamStream plans to go public within the next five years with a planned market valuation of \$20 billion.

By 2008 DreamStream is forecasted to be fully profitable.

If an opportunity arises, where DreamStream can sell out or merge with a publicly traded company, the board of directors will examine the offer and will submit viable opportunities to the shareholders.

As of today DreamStream's net worth is estimated to be \$1 billion, and offers will be only taken into consideration for over \$4 billion after the first half of 2008.

Investors are presented with an opportunity to invest in a stable technology company with a calculated risk and high upward potential. Due to the scalability of the business model, DreamStream will retain their monthly cost with a very high growth in profitability over years to come.

Compared to the solutions of Apple, YouTube, Google Video, Yahoo Video, Netflix, Blockbuster, Bittorrent, Joost, and others, DreamStream offers the user the best experience and a much higher quality.

DreamStream's technological approach is unique and ambitious and, at this stage, an extremely attractive investment.

We can do it. We can do it today.



Appendix A - Extraordinary Expenses

Time	Purpose	Total Amount
Month 3	DreamStream Platform Server	\$200,000
Month 4-7	Certification of DreamStream Technology by FIPS	\$300,000
Month 4-7	Patent and Trademark process	\$200,000
Month 4-6	R&D Facility	\$100,000
Month 9-12	License Payment	\$15,000,000

Appendix B - Competitive Analysis

Competitive Analysis for DreamStream Studio	Apple	Vongo	Microsoft
Are they already publicly traded?	Yes	No	Yes
Core competency	Complete entertainment universe with award winning design and reliable technology.	TV Network	Marketing
Strength	World's #1 sold media player device (iPod).	Existing entertainment network	World's largest software maker, terrific at cut throat marketing.
Weakness	Apple's universe only works in connection with Apple PC, who have only 4% market share.	Small selection of movies, only USA based, only certain Windows OS supported.	DRM doesn't work and hacks for every security product is freely available.
Short comparison towards DreamStream Studio	Apple is hardware based, DreamStream is software based.	Download against DreamStream Streaming.	DreamStream is impenetrable and no security fault is known.
Do we assist them?	While iTunes is a great Media player, it is not recognized enough by the entertainment industry to let them sell every movie. So far only Disney Studio is selling movies via iTunes as Steve Jobs is Disney's largest owner. DreamStream could help Apple to reach the security the studios require.	We can license our technology.	DreamStream's solution could be a perfect match for Microsoft's DRM and bring DreamStream into every household.
Can we make them obsolete? (Or can they make us obsolete?)	No	No	No
Do they (or we) have a better product?	They just have a different product, as they have an entertainment center approach. But Apple is just one approach, as many hardware devices like the Xbox 360, Playstation 3, Wii of Nintendo, Zune and other devices have large market shares and target the home entertainment market with different platforms. DreamStream can serve all platforms.	DreamStream has better product in sense of security, quality and distribution.	DreamStream clearly has a better product. Security breaches of MS products are reported daily in the press.
Are they more likely to succeed because of better market awareness? And what counter measures do we have?	Apple has a very broad customer base. Right now their DRM supports 5 devices, meaning, once a piece of content is downloaded, it can be replayed on 5 different devices. Hacks are available on the internet to replay iTunes downloaded content on any device. That could have negative impact for Apple in the future as soon as there is a better technology like DreamStream's.	Target is to replace MS technology against DreamStream technology.	As of now MS is just omnipresent, while security flaws made the start of Vista a disaster. As of today because of MS market presence, MS DRM solutions are installed everywhere and it will be take effort to show technology buyers that DreamStream has a better solution.

Appendix B - Competitive Analysis

Competitive Analysis for <i>DreamStream Studio</i>	MovieLinks	CinemaNow	LimeWire	Joost
Are they already publicly traded?	No	No	No	No
Core competency	Movie Download	Movie Download	Peer-to-peer file sharing.	Internet TV
Strength	Cooperation of all Movie Studios	First mover in the movie download business.	Large distribution of their player.	Ex-Skype founder with \$1bil in cash available.
Weakness	Small selection of movies, Windows DRM, paralysed as studios can't agree on anything. Blockbuster made offer for less than \$50m to buy Movielinks.	Small selection, small market penetration, Windows DRM.	If Limewire is not able to get rights to supply legal movies, studios will shut them down. Right now negotiations to come up with legal download service.	Program is supported with advertising.
Short comparison towards DreamStream Studio	Download against DreamStream Streaming.	Download against DreamStream Streaming.	Lime wire has no own secure content technology, just distribution technology, while DreamStream has security.	Just canned TV Shows, no real time live events.
Do we assist them?	We can license our technology.	We can license our technology.	We can license our technology.	We can license our technology.
Can we make them obsolete? (Or can they make us obsolete?)	Yes, Movielinks is in trouble right now and if they are not getting a new approach to their distribution, they would go bankrupt.	Very unsuccessful download service.	We could buy them.	No, as Joost and DreamStream are two different approaches to the market.
Do they (or we) have a better product?	DreamStream has better product in sense of security, quality and distribution.	DreamStream has better product in sense of security, quality and distribution.	DreamStream has better product in sense of security, quality and distribution.	DreamStream has better product in sense of security, quality and distribution.
Are they more likely to succeed because of better market awareness? And what counter measures do we have?	Target is to replace MS technology against DreamStream technology.	Target is to replace MS technology against DreamStream technology.	Target is to cooperate with them to use DreamStream technology and their player installation base to offer DreamStream Studio.	As of now MS is just omnipresent, while security flaws made the start of Vista a disaster. As of today because of MS market presence, MS DRM solutions are installed everywhere and it will be take effort to show technology buyers that DreamStream has a better solution.

Appendix B - Competitive Analysis

Competitive Analysis for DreamStream Studio	Bittorrent	Wal-Mart	Amazon/TiVo
Are they already publicly traded?	No	Yes	Yes
Core competency	Peer-to-peer file sharing.	Largest Supermarket	Largest online shop in the world
Strength	Large distribution of their player.	High volume of visitors to their online shop, so far largest movie selection.	High volume of visitors to their online shop, 1st attempt to bridge the gap between PC and TV.
Weakness	If Bittorrent is not able to get rights to supply legal movies, studios will shut them down. Right now negotiations to come up with legal download service.	Windows DRM, Movies have to be downloaded.	Quality is not as good as DVD, very slow download, small selection of movies.
Short comparison towards DreamStream Studio	Bittorrent has no own secure content technology, just distribution technology, while DreamStream has security.	Download against DreamStream Streaming.	Download against DreamStream Streaming.
Do we assist them?	We can license our technology.	We can license our technology.	We can license our technology.
Can we make them obsolete? (Or can they make us obsolete?)	We could buy them .	No	We could replace TiVo against our solution.
Do they (or we) have a better product?	DreamStream has better product in sense of security, quality and distribution.	DreamStream has better product in sense of security, quality and distribution.	DreamStream has better product in sense of security, quality and distribution.
Are they more likely to succeed because of better market awareness? And what counter measures do we have?	Target is to cooperate with them to use DreamStream technology and their player installation base to offer DreamStream Studio.	Plan is to replace MS technology with DreamStream technology.	Plan is to replace MS technology with DreamStream technology.



Appendix C - Balance Sheet

DreamStream Projected Balance Sheet: June 2007

ASSETS

Current Assets

Checking/Savings Bank Acct - DreamStream	7,000
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Total Checking/Savings	7,000
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Accounts Receivable

Accounts Receivable	0
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Total Accounts Receivable	0
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Total Current Assets	7,000
----------------------	-------

Fixed Assets

Accumulated Depreciation	0
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Buildings	0
-----------	---

Land	0
------	---

Value of Encryption Technology	75,000,000
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Office/System Equipment	18,000
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Total Fixed Assets	75,018,000
--------------------	------------

Other Assets

Organizational Costs	5,000
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Orgz Cost-Accum Amortz Costs	0
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Total Other Assets	5,000
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TOTAL ASSETS	75,030,000
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Short Term Loans	40,000
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Total Current Liabilities	40,000
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Long Term Liabilities

Pay out to Technology Dept	15,000,000
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Total Long Term Liabilities	15,000,000
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Total Liabilities	15,040,000
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Equity

Company Stock	55,000
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Intellectual Property	59,935,000
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Retained Earnings	0
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Net Income	0
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Total Equity	59,990,000
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TOTAL LIABILITIES & EQUITY	75,030,000
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Appendix D - P&L Projections Year 1

Operating Income Projections	Year 1 Month 1	Year 1 Month 2	Year 1 Month 3	Year 1 Month 4	Year 1 Month 5	Year 1 Month 6	Year 1 Month 7	Year 1 Month 8	Year 1 Month 9	Year 1 Month 10	Year 1 Month 11	Year 1 Month 12
Revenue												
Unique Users on DSS platform	0	0	1,000	100,000	200,000	400,000	800,000	1,200,000	1,500,000	1,800,000	2,100,000	2,400,000
An estimated 4% of unique users become subscriber for a flat fee of \$19.95 per month. Income	0	0	798	79,800	159,600	319,200	638,400	957,600	1,197,000	1,436,400	1,675,800	1,915,200
An estimated 10% of unique users will download an average of 2 videos p.m average price per video \$1.49	0	0	298	29,800	59,600	119,200	238,400	357,600	447,000	536,400	625,800	715,200
An estimated 5% of unique users will download an average of 5 videos p.m average price per video \$1.49	0	0	373	37,250	74,500	149,000	298,000	447,000	558,750	670,500	782,250	894,000
DreamStream Studio IPTV Set top box subscription fee gross profit (\$5 per subscriber)	0	0	0	0	0	0	0	0	0	0	0	0
Service to 3rd parties	0	0	0	0	0	20,000	50,000	50,000	75,000	75,000	100,000	100,000
Licensing	0	0	0	0	0	150,000	150,000	250,000	250,000	250,000	250,000	250,000
Projected Monthly Revenue	0	0	1,469	146,850	293,700	757,400	1,374,800	2,062,200	2,527,750	2,968,300	3,433,850	3,874,400

Expenses

Bandwidth (per 250,000 user 1 Line)	0	0	20,000	120,000	120,000	240,000	360,000	600,000	720,000	840,000	960,000	1,200,000
Colocation Services for Server			4,000	4,000	4,000	4,000	6,000	6,000	8,000	8,000	10,000	12,000
Salaries	32,000	49,500	50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000	75,000	75,000
Research & Development	15,000	15,000	15,000	15,000	30,000	30,000	45,000	45,000	60,000	60,000	60,000	60,000
Office expenses, all inclusive	5,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Communication	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Travel	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Legal	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Accounting	2,500	500	500	500	1,000	1,000	1,500	1,500	2,500	2,500	3,500	3,500
PR agency	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Exhibition Team					50,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Sales & marketing Team					45,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Marketing (customer acquisition cost 25% of revenue)	0	0	367	36,713	73,425	146,850	293,700	440,550	550,688	660,825	770,963	881,100
Royalty Payment to Content owners, 25% of revenue	0	0	367	36,713	73,425	146,850	293,700	440,550	550,688	660,825	770,963	881,100
Misc.	2,000	2,000	2,000	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000
Projected Monthly Expenses	71,500	85,000	110,234	285,925	469,850	676,700	1,137,900	1,671,600	2,029,875	2,375,150	2,718,425	3,180,700
Total Monthly Income	-71,500	-85,000	-108,766	-139,075	-176,150	80,700	236,900	390,600	497,875	593,150	715,425	693,700
Profit/Loss carried forward	-71,500	-156,500	-265,266	-404,341	-580,491	-499,791	-262,891	127,709	625,584	1,218,734	1,934,159	2,627,859

Appendix D - P&L Projections Year 2

Operating Income Projections	Year 2 Month 1	Year 2 Month 2	Year 2 Month 3	Year 2 Month 4	Year 2 Month 5	Year 2 Month 6	Year 2 Month 7	Year 2 Month 8	Year 2 Month 9	Year 2 Month 10	Year 2 Month 11	Year 2 Month 12
Revenue												
Unique Users on DSS platform	3,000,000	4,000,000	5,000,000	6,000,000	7,500,000	9,000,000	11,000,000	13,000,000	15,000,000	17,000,000	19,000,000	21,000,000
An estimated 4% of unique users become subscriber for a flat fee of \$19.95 per month. Income	2,394,000	3,192,000	3,990,000	4,788,000	5,985,000	7,182,000	8,778,000	10,374,000	11,970,000	13,566,000	15,162,000	16,758,000
An estimated 10% of unique users will download an average of 2 videos p.m average price per video \$1.49	894,000	1,192,000	1,490,000	1,788,000	2,235,000	2,682,000	3,278,000	3,874,000	4,470,000	5,066,000	5,662,000	6,258,000
An estimated 5% of unique users will download an average of 5 videos p.m average price per video \$1.49	1,117,500	1,490,000	1,862,500	2,235,000	2,793,750	3,352,500	4,097,500	4,842,500	5,587,500	6,332,500	7,077,500	7,822,500
DreamStream Studio IPTV Set top box subscription fee gross profit (\$5 per subscriber)	50,000	100,000	250,000	375,000	500,000	2,500,000	5,000,000	7,500,000	10,000,000	12,000,000	13,000,000	14,000,000
Service to 3rd parties (10% growth pm)	100,000	110,000	121,000	133,100	146,410	161,051	177,156	194,872	214,359	235,795	259,374	285,312
Licensing (10% growth p.m)	250,000	275,000	302,500	332,750	366,025	402,628	442,890	487,179	535,897	589,487	648,436	713,279
Projected Monthly Revenue	4,805,500	6,359,000	8,016,000	9,651,850	12,026,185	16,280,179	21,773,546	27,272,551	32,777,756	37,789,782	41,809,310	45,837,091
Expenses												
Bandwidth (per 250,000 user 1 Line)	1,440,000	1,920,000	2,400,000	2,880,000	3,600,000	4,320,000	5,280,000	6,240,000	7,200,000	8,160,000	9,120,000	10,080,000
Colocation Service for Server /	14,000	16,000	20,000	22,000	26,000	30,000	34,000	38,000	42,000	46,000	50,000	54,000
Salaries	100,000	100,000	100,000	150,000	150,000	150,000	200,000	200,000	200,000	400,000	400,000	400,000
Research & Development	100,000	150,000	250,000	350,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Office expenes, all inclusive	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Communication	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Travel	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Legal	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Accounting	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
PR agency	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Exhibition Team	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Sales & marketing Team	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Marketing (customer acquisistion cost, 25% of revenue)	1,101,375	1,468,500	1,835,625	2,202,750	2,753,438	3,304,125	4,038,375	4,772,625	5,506,875	6,241,125	6,975,375	7,709,625
Royalty Payment to Content owners, 25% of revenue	1,101,375	1,468,500	1,835,625	2,202,750	2,753,438	3,304,125	4,038,375	4,772,625	5,506,875	6,241,125	6,975,375	7,709,625
Misc.	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Extra Server purchase	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Projected Monthly Expenses	4,129,250	5,395,500	6,713,750	8,080,000	10,055,375	11,880,750	14,363,250	16,795,750	19,228,250	21,860,750	24,293,250	26,725,750
Total Monthly Income	676,250	963,500	1,302,250	1,571,850	1,970,810	4,399,429	7,410,296	10,476,801	13,549,506	15,929,032	17,516,060	19,111,341
Profit/Loss carried forward	3,304,109	4,267,609	5,569,859	7,141,709	9,112,519	13,511,948	20,922,244	31,399,045	44,948,551	60,877,583	78,393,642	97,504,983

Appendix E - Sources

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