BURTON GRAD ASSOCIATES, INC.
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TARRYTOWN, NEW YORK 10591
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(914) 631-1164 FAX

Confidential

Date: February 20, 1998

To: Dennis Byrnes

Copy: Pat Davis
Randy Harvey
John O'Sullivan
Brad Sharp

From: Burton Grad

Subject: Due Diligence for Roger

As you requested, Burton Grad Associates, Inc. (BGAI) has performed a technical due diligence study of ~~Roger~~, a German organization whose assets Sterling Commerce's Interface Systems Group is considering acquiring.

The primary purpose of this independent technical due diligence study is to ensure that the technical representations made by Roger to SCI/ISG are accurate and complete. A second objective is to determine if there are other product or development issues which would impact the estimates of current value or future profits.

The project was managed by Burton Grad, president of BGAI, with John O'Sullivan, a BGAI Associate, as the on-site technical consultant on this project. O'Sullivan was assisted by Peter Clayton who performed the on-site code review of Tiger.

All other areas of due diligence (legal, financial, human resources, marketing, sales, support, customer satisfaction and administration) were covered separately by SCI/ISG using designated consultants or Sterling personnel and were not part of the BGAI assignment.

A professional profile for Burton Grad is enclosed as Attachment A-1. John O'Sullivan's profile is enclosed as Attachment A-2. Peter Clayton's profile is Attachment A-3.

BGAI has followed the work plan described below:

1. BGAI requested certain information from Roger for the technical areas to be examined. The request list was used with Roger after the content was reviewed and additional questions included from SCI/ISG (see Attachment B).

2. BGAI conducted on-site interviews with other key management and technical personnel from Roger and examined relevant Roger materials for the assigned technical areas.

3. BGAI then analyzed the Roger materials and interview notes to identify any areas of concern and potential problems in the assigned technical areas as well as to provide a response to each of the questions asked in Attachment B.

4. BGAI has prepared this report summarizing its findings without disclosing Roger-identified confidential materials to SCI or ISG.

Due Diligence Process

After detailed preparation, John O'Sullivan and Peter Clayton met on site with various management and technical personnel at Roger's principal location for the products which may be acquired in Dusseldorf, Germany (see Attachment C). The first day was devoted to a detailed code review of Tiger by Clayton and detailed interviews following the Due Diligence Checklist (Attachment B) by O'Sullivan.

The second day on-site only involved O'Sullivan who completed the Due Diligence Checklist and obtained all the information he could regarding TeleTiger, a product under development by a third party (HPC) which is located some distance from Dusseldorf. The code for TeleTiger is written in SAP's development language ADAP/4, with which we are not technically competent.

In addition, O'Sullivan has made follow-up calls to clarify information received and Grad has been in contact with Weber and Bar to obtain further information and representations regarding TeleTiger. Grad has also requested the SCI/ISG legal due diligence team to obtain specific confirmation regarding the various needed third party authorization licenses and the customer contracts regarding access to Tiger source code. As of the date of this report BGAI has not received any feedback from the legal due diligence team on these requests.

Technical Findings

John O'Sullivan's detailed due diligence report is enclosed as Attachment D; it is organized by the principal products and technologies and then by the question areas specified in Attachment B. There were three principal product areas examined: Tiger, Communications Utilities and TeleTiger.

Our principal technical findings are:

1. The Roger EDI development activities are performed by a small but professional software team, working to good standards.

2. Apart from the two items mentioned in Attachment D, Section #6, we found no obvious use of non-original code. Legal due diligence must check the proprietary notices listed in our request letter to assure that appropriate licenses are in place for the third party programs being used in Tiger. Attachment E is Clayton's Code Review Report primarily on Tiger.

3. The product strategy for Tiger in relation to further development, Year 2000 and transition to GENTRAN needs to be resolved. We believe that these pose serious technical issues.

4. The contractual arrangements for all the reseller Communications Utilities products must be checked by legal due diligence to ensure appropriate authorizations and transferability (if desired by SCI/ISG).

5. As to TeleTiger, a letter from HCP has been received, certifying that there is no use of unlicensed code and stating that proper third party licenses have been signed, particularly with SAP (see Attachment G).

6. The TeleTiger fixes need to be checked through QA (see Liersch summary in Attachment H). The current contract apparently provides only a 60 day correction period after Roger accepts delivery. This probably does not provide sufficient time for the BMW beta test to be completed. Some type of extension of the HPC "warranty" is essential. Attachment F shows Randy Harvey's notes from a detailed meeting he had on various TeleTiger technical and marketing issues.

7. Roger has very limited ADAP/4 and SAP skills; it is not in a position to either maintain or extend TeleTiger to meet even the German market needs, much less the requirements for other European and US markets.

8. The investment in the product launch, product development, marketing and personnel for the new product, TeleTiger, needs to be addressed and staffed effectively so that the market opportunity can be exploited in a timely manner.

Conclusions

1. There are significant technical risks which need to be analyzed by the legal due diligence team regarding: third party code used by or embedded in Tiger; licenses for remarketed Communications Utilities; and SAP and possibly other licenses for TeleTiger.

2. The exact contractual relationship with HPC is crucial to SCI/ISG's ability to distribute, support, maintain and enhance TeleTiger. This requires not just careful legal review, but also satisfactory business relations with HPC. Alternatively, SCI/ISG may be able to use Juergen Liersch for this function, but this is uncertain and speculative.

3. Without regard to the economics of the acquisition, BGAI has not identified any specific technical reasons why SCI/ISG should not proceed with the proposed acquisition of these Roger assets.

List of Attachments

A-1 Burton Grad Professional Profile
A-2 John O'Sullivan Professional Profile
A-3 Peter Clayton Resume

B Due Diligence Checklist

C People Interviewed

D O'Sullivan Technical Due Diligence Report

Appendix 1 -- Responses for Tiger Product to Due Diligence Checklist
Appendix 2 -- Responses for Communications Utilitites Products to Due Diligence Checklist
Appendix 3 -- Responses for Planned TeleTiger Product to Due Diligence Checklist

E Clayton Code Review Report

F Harvey Notes from TeleTiger meeting 2/13/98

G Letter from Meineke at HPC

H Liersch QA Report on TeleTiger

PROFESSIONAL SUMMARY
BURTON GRAD

Burton Grad, President of Burton Grad Associates, Inc. (BGAI), has a long record of significant contributions to the computer software and services industry. He has experience as a user and developer of application and systems products and as consultant, innovator, businessman and industry leader in the computer software and services community.

Since 1978 he has been a consultant for software products, software professional services, value added remarketers, processing services and other computer software and services businesses:

- Strategic planning, management and organizational consulting and product analysis, evaluation and review
- Company and product acquisition studies including due diligence and valuation for financial, tax and capitalization purposes
- Planning, assessment and analysis of business operations including quality and productivity measurements

Work is performed personally or with the assistance of well-known specialists in market research, customer service, industry applications and mainframe, midrange, workstation, client/server and personal computer systems.

This is a partial list from the more than 150 clients of BGAI:

AGS Information Services (now part of Keane, Inc.)
Broadview Associates and Geocapital Partners
Expert Software
Future Three
Informatics (now part of Sterling Software)
International Business Machines
Keane, Inc.
Morgan Stanley
NCR Corporation
Relay Technology
SPSS, Inc.
Sterling Software, Inc.
Triad Systems Corporation
TSI International

BURTON GRAD

Work Achievements

Burton Grad Associates, Inc. (1978 - Present)

* Strategic planning, management and organizational consulting and product analysis, evaluation and review
* Company and product valuation studies for financial, tax, capitalization and acquisition purposes
* Business assessment studies and implementation projects for product strategy, development, quality management and customer service
* Design and implementation of computer based training courses

Customer Care, Inc. (1992 - 1996)

* Publishing **CustomerCare Newsletter** and ***CustomerCare Survey*** directed at software companies' customer services activities: support, documentation, training and product consulting
* Providing consulting on customer service processes, and training for customer service personnel

Heights Information Technology Service (1979 - 1983)

* Professional Services for applications and systems development
* Use of professionals on a remote, work at home basis with effective project management

International Business Machines Corporation (1960 - 1978)

* Definition, design and implementation of application development systems strategy resulting in release of IBM's development management systems
* Development of application programs for every major industry
* Establishment of joint planning and programming development with European operations
* Announcement, development and initial support of CICS
* Management of application development for small business and process control systems
* Responsibility for the production, release and maintenance of close to 200 programs

* Conception of approach to and programs for text processing and office automation systems
* Development and expansion of computer based training systems
* Development of management science and scientific programs
* Participation in the structuring and unbundling of IBM program products
* Creation of the Study Organization Plan for specifying and designing application systems

General Electric Company (1949 - 1960)

* Programming of the first commercial computer (Univac I in Louisville)
* Development of discrete simulation techniques for manufacturing planning and control
* Invention of decision tables
* Study of automated factory design and implementation
* Initiation and use of advanced techniques for production, inventory and quality control

Other Professional Activities

1972-Present **ITAA (formerly ADAPSO)**

* Computer Software and Services Trade Association
* President, Treasurer and Board member of American Software Association Division of ITAA
* Member of ITAA Board
* Chair and member of various committees (Industry Relations, Software Capitalization, Software Openness, Technology Information Services, Quality Management)
* Executive Committee of Information Technology Foundation (Project Office)

1968 and 1979 Principal author of Management Systems, published by Holt, Rinehart and Winston. Used for colleges and businesses for computer application system methodology and design.

1950-Present Speaker and chair at conferences and workshops and contributor to professional journals on various information technology subjects including decision tables, quality control, systems engineering and software capitalization.

BURTON GRAD

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EDUCATION

1949 — Bachelor of Management Engineering
Rensselaer Polytechnic Institute
Troy, New York

POSITION HISTORY

1978-Present — **Burton Grad Associates, Inc.**,
Founder and President
Consultants to computer software and services companies

1992-1996 — **CustomerCare, Inc.**
Chairman
Publisher and Consultants for software customer services

1978-1984 — **Heights Information Technology Services, Inc.,**
Founder and President
Professional software services

1960-1978 — **International Business Machines Corporation**
Consultant - IBM Research Lab
Director of Development - Data Processing Division (DPD)
Manager - Development Services and Scientific Application Programs (DPD)
Manager - Technical and Scientific Development (DPD)

1949-1960 — **General Electric Company**
Consultant - Advanced Application and Systems Development - Production Control Services
Manager - Production Control Operation - Large Stream Turbine Division
Manufacturing Training Program

JOHN O'SULLIVAN BSc FBCS CEng FCMA

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John O'Sullivan is Managing Director of Thames Communications, an independent London based consultancy in Telecommunications and Information Systems strategy and business development. Thames Communications is particularly focused on assisting Telecoms and IT companies to develop their European and global business strategies.

Formerly, he was Director Information Technology at BT, responsible for IS strategy, policies and plans, relating the exploitation of IT to achieve business benefits. He was then seconded to the UK Department of Trade and Industry as Industrial Advisor Telecoms, with particular responsibility for developing and promoting UK strengths in telecoms software.

Before that, he spent over 20 years in Information Systems at British Aerospace, with other responsibilities for Facilities, Business Planning and Human Resources, becoming Personnel and Resources Director at BAe Military Aircraft Ltd.

John is a Council Member of the IT Industry Training Organisation, an Advisory Director of the European Software Institute (in Bilbao), Chairman of the Real Time Club, and a member of PITCOM (Parliamentary IT Committee). Previously, he was Chairman of STARTS (UK industry programme for software process improvement), Vice-Chairman of ETIS (European Telcos IS association), and Council Member of EURIM (a Parliamentary briefing group for European IS matters).

Recent projects have included:

- Informix Software - Business development strategy for European/Global telecoms, and Segment Manager for Data Warehousing in Telecoms
- Opta Consulting - Business Development in Europe
- BT - Entering a new business area
- Thames Valley University - IT strategy, Managing ITT, selection and contracting, Bus devel.
- LondonLink - Project Director of a CBI initiative to create an advanced communications service, involving a major ITT
- ITITO - Study for D/EE into UK infrastructure for IS skills, and creation of *Alliance for Information Systems Skills*
- DTI - Led a £1bn telecoms development project in central China
- Legal & Trade - Interim IT Director, fixing serious supplier and organisation issues

JOHN O'SULLIVAN BSc FBCS CEng FCMA

119 The Avenue Sunbury on Thames Middlesex TW16 5EQ
Tel/Fax 01932 761471 Mobile 0850 706246

Experienced Director with proven track record in very large scale multi-function management: **Strategic Planning, IT, Personnel, Facilties. Telecoms and Aerospace industries, with DTI exposure.** Planned and managed major change-management programmes. Led industry analysis, national policy and major international business development for UK Telecoms.

Integrating strategic planning, leading teams in business analysis, formulating business plans, implementing major organisational change and cost reduction.

Directing Corporate IT Strategies; Applications, data and technical architectures and operational strategy; Controlling Group-wide large scale systems development, operations and exploitation of business benefits.

Directing the Human Resources function across a multi-site, multi-skilled company, with overseas operations. Executive resource development, workforce rebalancing, employee communications.

Planning, budgeting and controlling extensive property development, facilities, capital investment and all support services.

Understanding of political and public policy processes; public affairs skills.

Internal and external communications, publications, presentations, TV.

QUALIFICATIONS

BSc	Mathematics (Hons 2:1) University College London
FBCS	Fellow of British Computer Society
CEng	Chartered Engineer
FCMA	Fellow, Chartered Institute of Management Accountants

CAREER SUMMARY

1993-95	Industrial Advisor Telecoms	Dept of Trade & Industry
1993-95	Director Corporate Programmes & Infrastructure	BT
1990-93	Director Information Technology	BT
1987-90	Personnel and Resources Director	BAe Military Aircraft Ltd
1986-87	Resources Director	BAe Military Aircraft Div
1984-86	Executive Director Resources & Computing	BAe Weybridge Division
1974-84	Management Services Manager	British Aerospace Kingston
1972-74	Systems Manager	Hawker Siddeley Aviation Kingston
1969-71	Asst Systems Manager-Finance	Hawker Siddeley Aviation Kingston
1966-69	O&M Analyst, Technical Analyst	Hawker Siddeley Group

INDUSTRY BODIES * = current

STARTS	Chairman	UK Industry Programme for Software Process Improvement
ETIS	Vice-Chair	European Telcos IT (Brussels)
ITITO	* Council	Information Technology Industry Training Organisation
EURIM	Council	European Information Markets
ESI	* Advisory Bd	European Software Institute (Bilbao)
BCS	Vice-Chair	London and Kingston Branches
	* Vice-Chair	Real Time Club

PERSONAL British. Age 50. DoB 28/4/45. Married, 3 adult children.

Industrial Advisor Telecoms Dept of Trade & Industry **Aug 93–May 95**

Seconded by BT at Govt request to create national strategy to develop and promote telecoms software as a UK industrial strength.

Developed and published first ever analysis of Telecoms Software sub-sector

Led re-education in Telecoms of Govt export promotion machine

Produced UK Telecoms brochure and directory for worldwide export promotion use

Export promotion in Nordic area, India; led £1b consortium project in China

Launched UK industry programme for Software Process Improvement - STARTS

BT (British Telecom) **Nov 90–May 95**

World's fourth largest telecoms operator. £13bn turnover. 150,000 people. Ambitious customer service, product innovation, employee reduction, international expansion, all exploiting advanced technology.

Director Corporate Programmes and Infrastructure **Apr 93–May 95**

Additional responsibility for programme management of Corporate Research Programme. £55mpa. Defended and rebalanced programme

Director Information Technology **Nov 90–Mar 93**

Responsible for overall strategy for IT throughout BT, working with business Divisions to ensure business benefit, and with IT units providing services. £1b IT spend. 7000 IT staff.

Led business review to create Top 10 business-led applications strategy and applications architecture

Developed technical architecture with European and international collaboration

Drove open-systems strategy and software engineering thrust

Introduced IT planning process, linked to Corporate Strategy/Planning

Led office systems programme in emotional environment, inter-operating numerous disparate systems, and introducing next-generation open-systems facilities

Rationalised PC hardware and software procurement installation and service

Established real IT protection: Security/Disaster/Data Protection

Additional responsibility (June 92) for Corporate Architecture and Standards Programme. £20mpa. Reduced and rebalanced spend.

Obtained ISO 9001 certification for IT Unit at first attempt

BRITISH AEROSPACE MILITARY AIRCRAFT LTD **1966-90**
£3b revenue. 30000 employees. 8 major UK sites. International operations.

Personnel and Resources Director **1987-90**
Accountable at Board level for: business planning and operations strategy; HR function, facilities development / capital investment; IT function.3700 staff.

Planned and led strategic change, resulting in savings of £300m.over 6 years through site closures, rationalisation, restructuring, personnel reduction and relocation, leading to re-organisation of the business as subsidiary company

Led business planning processes including mission statement; product strategies; technology, facilities, IT, manpower plans; communicated Plan to all levels

Directed trade union negotiations with far-reaching working practice changes

Initiated and managed capital investment programme of £60mpa, enhancing and modernising sites, buildings and facilities, with appraisal and audit

Sustained and led long-run total integrated applications development programme on a Corporate basis, and steered implementation. IT spend £73mpa, 600 staff.

Resources Director Military Aircraft Division **1986-87**

Completed Weybridge plant closure with transfer of assets from 1.5m sq ft and release of 90 acres for property redevelopment

Consolidated computer centres, switched suppliers, led top-level supplier negotiations on product requirements, prices, and leases

Executive Director Resources & Computing, Weybridge Div **1984-86**

Established the Facilities and IT strategies of new Division of 7 sites with 5 computer centres.

Formulated "The Way Ahead", the first BAe integrated Divisional Plan

Planned and implemented the amalgamation of two major plants

Led the planning of Weybridge closure, with innovative programme of staff redeployment and job creation, to achieve undisrupted relocation of work

Management Services Manager, Kingston **1974-84**

Developed and implemented comprehensive range of advanced aeronautical, manufacturing, financial and commercial systems

Managed the growth of one of the largest UK computer centres: IBM, ICL and DEC

Specified and introduced new telecoms network.

Staff career development from 50-125, pioneering grading and salary structure

Led Divisional Efficiency Improvement Campaign, eliminating 300 jobs.

Systems Manager Hawker Siddeley Aviation, Kingston **1972-74**
Asst Systems Manager-Finance **1969-71**
Technical Analyst / O&M Analyst **1966-69**

Peter Anthony Clayton

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Edinburgh EH7 4AN
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Date of Birth: 5th March 1970
Nationality: British

e-mail: ped_man@hotmail.com
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Education

Ermysteds Grammar School, Skipton, N.Yorkshire	9 'O' Levels 3 'A' Levels, 1 'AS' Level
University of St. Andrews	2.1 BSc. Hons Astronomy, Astrophysics and Physics

Key Skill List

C, C++, MFC, Visual C++, VisualAge C++, CSet++, Java, JavaBeans, x86 assembler, HTML, threads, WWW, OOA, OOD, SQL, DB2, SQLServer, Oracle, CLI, ODBC, JDBC, TCP/IP, Sockets, OS/2 API, Windows 3.x,95,NT API,Unix, AIX, Lotus Notes, Client-Server, RTC, embedded systems, data warehousing, Psion OPL.

Employment History

June 1996 - Present

Employed as a contractor to IBM (Greenock). Main project was the development of 3 tier client-server system called RAPID to provide client applets, written in Java, controlled and secure access to a master-mirror database setup through a middleware Transaction Server written in C++. RAPID exists as base classes from which actual application classes for both the middleware and client interfaces are derived. Two applications, MASCOT/2, developed by myself, and RIO have been created using the RAPID base, and a third is under development. It is envisaged that RAPID will form the basis of IBM manufacturing information systems in the future.

The basic architecture of RAPID is as follows: A Java applet running under a browser or AppletViewer opens a TCP/IP socket connection to the Transaction Server, and sends a request. The Transaction Server accepts the request and places it in two queues, one for the master database and one for the mirror. A separate thread for each database constantly examines the queues, retrieving the next request. This is passed to a function which converts it into a sequence of CLI calls to the database. The datareturned from the database is packaged into the form the applet expects and issent through the socket connection back to it. The applet can then act accordingly.

If a transaction will take some time to process, for example generating a report, the transaction server has the capability to make extra connections tothe databases and run the transaction on a separate thread. In the case of areport, the data is packaged into HTML pages generated on the fly, and the URLof the first page is passed back to the applet. A report page over 2 hours oldis deleted by a housekeeping thread in the transaction server.

The transaction servers also have the ability to intercommunicate. This allowsfor single point data entry to multiple databases, common database tables withownership, and common table change control.

The use of Java applets provides a worldwide access, platform independent user minterface, and the transaction server, originally written in VisualAge C++ for OS/2 has been ported to Visual C++ for Windows 95 and NT, and MOTIF for AIX. A port to Java is planned, pending research into performance.

MASCOT/2 is a RAPID based system which provides an equipment tracking, fault logging, fault history and reporting facilities for Maintenance at Greenock. Itis in the process of being implemented at other IBM manufacturing sites.It consists of approximately 100 Java applets providing the user interface,connecting to a transaction server running under OS/2 which in turn connects tomaster and mirror DB2/6000 databases.

Also whilst at IBM, I have given C++ and Java courses to project groups, doneLotus Notes application development, and an audit project which involved programming Psion Workabouts in OPL.

January 1994 - June 1996

Employed as a contractor to Auriga Control Systems, a small process control systems company based in Yorkshire. Projects included code design for a multitasking water tempering and weighing system for use in bakeries, a multiple weigh platform ingredient measuring and tracking system, and Windows based administration and reporting tools for these.

Due Diligence Checklist - Revised January 15, 1998

Technical Review	Date
Product Functionality (breakout by each product, e.g., Tiger, TeleTiger, SINFOS, other)	
1. Major features/functions of the product	
1a. Are there any installations with one-off or custom code or customer specific customizations	
1b. Any specific market features (e.g., VAT reports, VAN reconciliations, etc.)	
2. EDI standards supported and delivered with the product	
2a. How is CEDAS supported? generic translator or custom code	
3. Communications protocols supported and scripting supported; how many network scripts are shipped with the product, ISDN cards and brics supported	
4. Usability of products (easy to set up partners, do maps, etc.)	
5. Ease of installation plus installation procedure	
6. Control features for managing and auditing processes	
7. International features: • Certification with international networks • Specific features for international use (e.g., INS command set generator for U. K. users of the INS network) • Is the product "National Language" enabled	
8. Security features and options	
9. Hardware platforms, operating systems and data bases supported	
10. Any special features for interfacing with other software products (e.g., interface with SAP, Baan and J. D. Edwards, Oracle, Peoplesoft, etc.)	
11. Complete listing of all third-party software or hardware products used in or with the software products (e.g., ISOCOR, Maxware, Exchange, etc.)	
12. Year 2000 compliance assurance for all software products	
13. What problems do they foresee in moving customers from Tiger UNIX to GENTRAN:Unix if/when we choose to do that migration, from what they know of our GENTRAN product	
14. Maintainability	

Attachment B
Page 1

Due Diligence Checklist - Revised January 15, 1998

Product Quality	Date
1 Change control process	
2 Number, type, procedure for distribution and frequency of system fixes, number of releases supported	
3 Quality assurance process including test strategies, test cases and test procedure	
4 Open error corrections and open problem reports, volumes and activities	
5 Customer technical communications	
Projects in Process	
1. Current development projects (new products, ports to additional platforms)	
2. Current enhancement projects (releases, sub-releases)	
3. Outstanding commitments to customers	
4. Any strategic development partnerships (e.g., SAP, Microsoft)	
Product Design and Implementation (including work performed by third-party non-Roger personnel)	
1. Languages used for product development and versions of compilers; platforms for development	
2. Any special development tools used	
3. Prerequisites for running product/runtime licenses required	
4. Source code for all products; access to source code; number of programs and lines of source code	
5. Software/code management tools used; configuration management methods	
6. Code review to assure no use of non-licensed code	
7. Any proprietary notices in either source or object code for any products	
8. Structure of code and quality of code documentation	
9. Development methodology followed	
10. Type of documentation for design specs and program specs	
11. For third-party development, source code location, control, management procedures, interfaces, etc.	

People Interviewed

Roger

Friedhelm Bar	Software Integration/Quality Assurance/Development Team
Udo Bongards	Manager, Pre Sales/Consulting/Project Team
Jocken Furbeth	
Ansgar Geist	Software Integration/Quality Assurance/Development Team
Jurgen Hohmann	Sales Represenative
Uli Huener	Former head of EDI Operations
Astrid Lamberts	Product Manager
Lidger Limberg	Dedicated Manager/Training
Friedrich Niehues	Customer Service team
Klaus Spiegelberg	Manager, Pre Sales/Consulting/Project Team
Christophe Weber	Acting Head

Consultant

Juergen Liersch

Sterling Commerce/ISG

Pat Davis
Randy Harvey

Project Roger

Technical Due Diligence

Prepared for:

Burton Grad Associates, Inc.
235 Martling Avenue
Tarrytown, NY 10591

Prepared by:

John O'Sullivan
BSc FBCS Ceng FCMA
Thames Communications
119 The Avenue
Sunbury-on-Thames
Middlesex, TW16 5EQ
England

Date Prepared:

February 2, 1998

Date Updated:

February 20, 1998

1. Introduction

On behalf of Burton Grad Associates, Inc., John O'Sullivan, assisted by Peter Clayton, conducted the Technical Due Diligence concerning the proposed acquisition of the EDI software assets of o.tel.o Communications GmbH by Sterling Commerce Inc. (SCI).

We visited Dusseldorf on 26th and 27th January 1998 and conducted a series of discussions with the key managers of the unit, based on a prepared checklist. We reviewed their development, testing, and quality processes in some detail, and also examined samples of program code.

At all times, we were very well received. Our questions were answered thoroughly and openly. We would like to thank the o.tel.o personnel for their time, patience and assistance, when they were clearly busy on operational matters.

2. History

The business was originally Lion Software. Lion had been acquired by Vebacom, the telecoms subsidiary of Veba GmbH, as part of a move into systems. In turn, o.tel.o is a new joint venture, set up by Vebacom and RWE, another large German industrial combine, to address the newly deregulated German telecom market.

3. Organization

Please see attached organization chart (figure 1). The former Head of the EDI operations (Uli Huener) is currently departing, and we were hosted by the acting Head, Christoph Weber. The business assets to be acquired are to varying degrees integrated with other o.tel.o business activities. It will be essential therefore to clearly define which elements and which personnel are to be acquired.

The two principal resources are:

- The Pre-Sales/Consulting/Projects teams, led by Christoph Weber. We also dealt with Klaus Spiegelberg and Udo Bongards, the other two managers in the team.
- The Software Integration/Quality Assurance/Development team. Ansgar Geist has recently been promoted to manage this area, but we dealt primarily with Friedhelm Bar.

Other resources are:

- The Product Manager for TeleTiger, Ms Astrid Lamberts
- Sales Representative, Jurgen Hohmann
- The Customer Service team, headed by Friedrich Niehues, but integrated within o.tel.o's overall Customer Service department. This area was only briefly covered, as a separate Customer Service Due Diligence analysis was due to start the next day by other SCI representatives.

4. Products

It is important to recognize that the o.tel.o EDI activities have three distinct product groups, supported by a range of services. The relative positioning of these product families is shown in the attached diagram (figure 2), which also shows the position relationship with Sterling GENTRAN.

- The core product *Tiger* provides a suite of EDI facilities. It was originally developed about ten years ago as a MS/DOS product, and then reconstructed for UNIX about five years ago. There is currently no NT version. The ongoing product strategy has not been decided, because of the asset acquisition, and needs to be addressed urgently.

- A range of *Communications Utilities* providing both physical communications and EDI services. Almost all of these are resold third party products.

- The new product *TeleTiger* currently in development, which is an application module within the SAP/R3 environment. It will therefore run on any SAP/R3 platform (under Unix, AS400, or NT, and on any hardware). There is no R2 version. TeleTiger has been programmed by a third party software house, HPC, using the SAP language ADAP/4. It needs to interface with an EDI environment, such as *Tiger* or *GENTRAN* in order to do useful work.

These products are supported by a range of services, often packaged into a single deal with the software sale:

- *Consultancy* in the use of EDI, and its application in the customer business.

- *Systems Integration* with both the customer's existing upstream sytems, and the downstream communications facilities. It is rare for customers to undertake this latter piece themselves.

- *Training* for which there is a dedicated manager (Ludger Limberg) and a packaged course, either at o.tel.o's premises or on-site. This is usually a standard part of each deal.

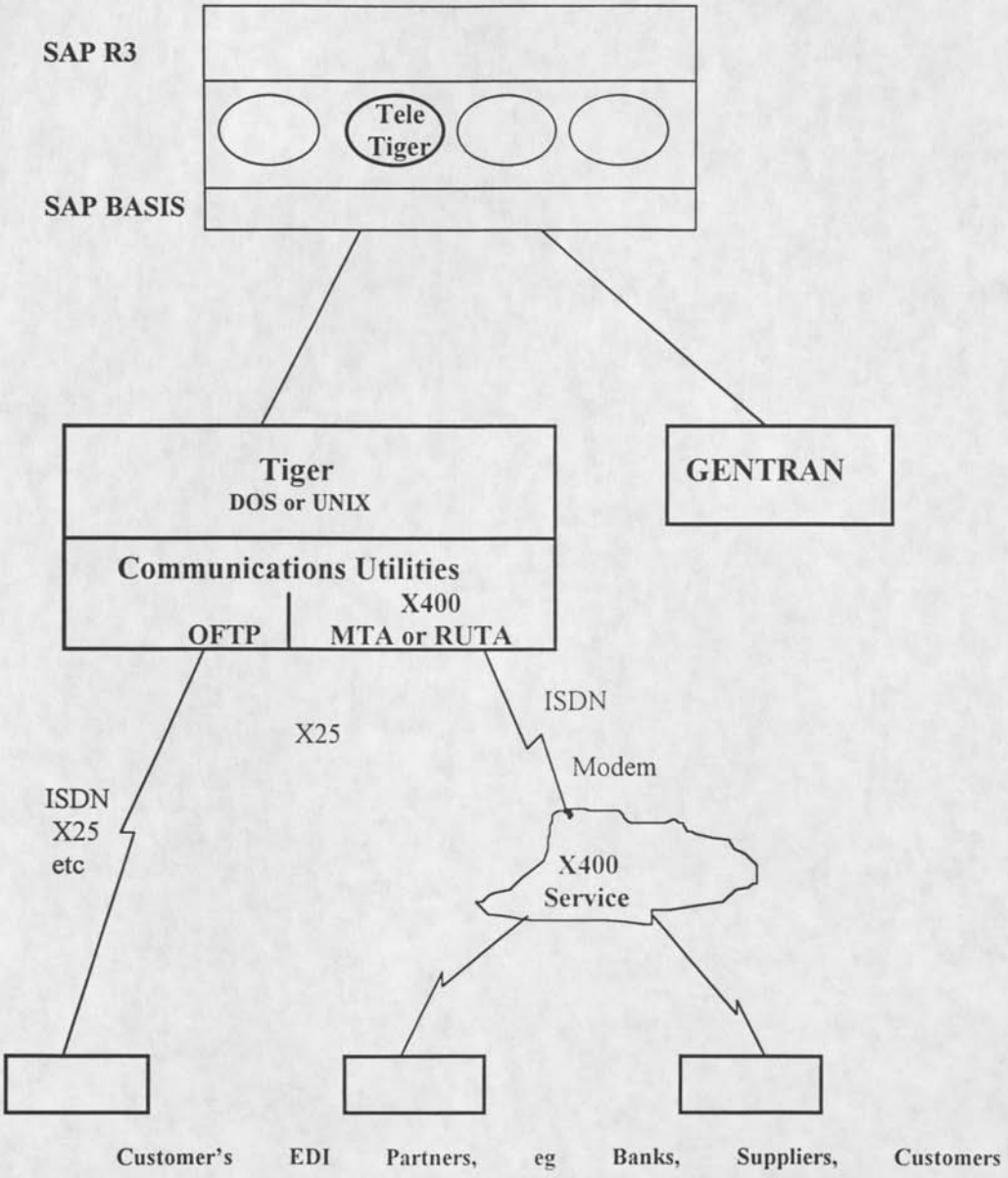
- *Customer Service* via a telephone help-desk. Again, this is packaged and contracted.

Please note that the *SINFOS* product listed in the Due Diligence Checklist is dead, and was not discussed.

In addition, o.tel.o already resells Sterling Commerce GENTRAN for the NT market.

Figure 2

PRODUCT POSITIONING



5. Due Diligence Checklist

A detailed technical assessment of the three product groups using the prepared checklist was conducted by interviewing the senior technical personnel in each area:

- Klaus Spiegelberg for *Tiger*
- Udo Bongards for *Communications Utilities*
- Astrid Lamberts for *TeleTiger*

The results are discussed in the next two sections of this report for Tiger and TeleTiger and fully itemized in Appendices 1,2, and 3 for Tiger, Communications Utilities and TeleTiger respectively. Key points to note are:

Tiger

- Essentially a German EDI market product only.
- NOT year 2000 compliant.
- Transition of the product and the customer base to Sterling GENTRAN will not be straightforward and may be quite difficult.
- The product development planning needed to deal with the above two points, and to complete other planned product enhancements, is being held in abeyance because of the proposed acquisition
- It is an old product, with varying standards. All recent work is of excellent quality.
- The internal processes for development, QA, and distribution are very good, and appear to be followed.

Communications Utilities

- A series of resold third-party products
- The contractual arrangements for these must be checked, particularly the ISOCOR products

TeleTiger

- New product, still in development
- SAP module, within each customer's SAP environment
- Developed by a third party, HCP, with some difficulties, using the SAP workbench ADAP/4. Now "95%" complete.
- German market to start, but must be international and US to met SCI/ISG goals
- Year 2000 compliant, but NOT Euro compliant.
- Immediate investment is necessary in product launch, marketing, and ongoing product development.

6. Review of *Tiger* Code

Peter Clayton, an experienced C and C++ programmer, examined 25 modules of Tiger in detail, a sample of about 25%. He found these to be very well structured, clearly and well documented (in German), and with changes well marked.

He used a GREP tool to search the whole source code for copyright and similar proprietary notices. Two curious features were found:

- A module was found with an IBM notice dated 1990, referring to part of an expEDIte/PC product. But the module did not appear to be called from anywhere. There was no explanation for this, and it seems likely that it was left over from an earlier version.
- A standard C function GETOPE (all in English) was found. There is no reason for this to be in a Unix source code file, as it is part of the operating system library. It is not clear where it came from, but it could be public domain.

Other proprietary notices found were:

- Tigcrypt
- Lion
- Vebacom
- Meldung - A third-party product to provide foreign language messages
- Vitamin C
- Vista - now called Raima Data Manager

Cross-platform handling was by use of IF DEF and DEFINE. This is good practice, rather than having to test and support lots of different versions.

Generally the code was highly structured, very modular, with lots of code blocks. Even the old stuff, which o.tel.o described as poor, was not blatantly awful. Also, the layout was very good, with tabs and indents, having been "beautified" by a utility.

Peter described the commenting style as one of the best he has seen. Most function and variable names are "English-like". Changes are marked at the point of change, and also at the beginning and end of the module. Module headers include:

- name and short description
- "what it looks like when called"
- what and how it does it
- description of arguments and return codes
- programmer's name and date

One module was less well commented, but the changes were documented. Even the worst module which had bad indentation and few comments was simple and still quite good. Generally, a very high standard.

Peter looked at the latest piece of work, the "Design Tool/Productivity Enhancer". The client piece is written in Visual Basic, the server part in C. This has been excellently written, with superb documentation (in German). There is reference to a third-party client tool called "install shield."

Appendix 1 provides detailed answers to the questions in the due diligence checklist.

7. Review of *TeleTiger* Development

7.1 As it did not prove possible to conduct a detailed code review of TeleTiger, the bulk of the second day was spent examining the history and status of its development, in considerable detail.

7.2 o.tel.o had identified a market need for a product of this type. The SAP installed base was growing rapidly, and o.tel.o had some experience with an old product (ELFE) which needed replacement. They decided they needed a development partner, with SAP experience.

7.3 HCP (Heck & Partner Consulting) were selected against another o.tel.o internal department. They are a medium sized German software house of some 70 people. They have another 10 to 20 in their US office in Foster City, California. They are independently owned, and have been established about 20 years; their core business is installing SAP R3 in customer sites. They are accredited by SAP, and seem to have a good reputation in the German market. Their main office is in Weinheim (near Mannheim, near Heidelberg) about 400km south of Dusseldorf, but they have local offices elsewhere in Germany. O.tel.o had not previously used HPC. HPC signed a non-disclosure agreement, and must return all materials to o.tel.o.

7.4 The basis for the development was a 58 page Requirements and Planning document, prepared by o.tel.o., setting out:

- architecture
- master and transaction data
- rules
- modules
- interfaces, both to SAP modules and to the EDI environment
- database design
- first test plan
- volumes
- base platform
- invoice checking and splitting rules
- status reporting

A fixed price contract was agreed, with milestone payments. (The third of these has just been paid.)

7.5 Development took place at HCP premises, starting about a year ago. The team consisted of four staff full-time, another four part-time, and a project manager. An o.tel.o development/QA expert, Friedhelm Bar, spent the bulk of his time for three months located with the development team, dealing with day-to-day communications and queries. All significant queries and answers were documented.

7.6 The development has been unsatisfactory in many regards, i.e., number of errors and consequent delays. Relations with HCP are sensitive, but still business like. O.tel.o has resisted the temptation to add or change the original specifications, in order to maintain stability during a difficult time, and to protect the fixed price.

7.7 There was a first preliminary delivery in April/May 1997, which o.tel.o used to start their QA testing. A second, complete delivery followed in August, 1997, which went into full QA testing.

7.8 There were about 20 test specifications, covering invoices, reports, idoc interfaces, etc. Each of these had a series of tests, about 100 in all, each with a one page test protocol giving the expected results. All of this was part of the original documentation passed on to HCP.

7.9 After extensive testing (of the August delivery), o.tel.o engaged an external independent consultant, Juergen Liersch, to review and report jointly to both parties. He is an expert in both SAP and EDI. O.tel.o describes him as excellent, and very hard-working. They would like to use him again, hopefully locking him into a long-term engagement. His report, dated October, lists:

- 7 absolutely critical (logic) errors
- 73 "look and feel" errors
- 19 functionality errors

These 99 errors are also itemized in a line-by-line listing, and each is documented by a two or three page note with screen shots, expected results, actual results, and commentary on the differences.

7.10 At the end of December 1997, 50 of these were still open. A new version has just been delivered, in which HCP claims to have fixed all but 3 or 4 errors. (This does not include many of the "look and feel" items which have been relegated to a future release.) O.tel.o is now starting an intensive two-week retesting program. They seem fairly confident that good progress is being made.

7.11 In parallel with the development and testing, the launch customer, BMW, is being set up. HCP also has some responsibilities here as a sub-contractor to o.tel.o. Indeed, any such BMW tasks at HPC are taking priority over development. Implementation has already slipped from November to February, but the customer seems understanding about this.

7.12 Samples of the program source code were examined. This is all written in the SAP workbench ADAP/4. This is a high level language, but appears quite complicated, requiring two one week training courses even for an experienced programmer. All development is done in "classes" which can be: tables, data elements, objects for locking, match codes, data dictionary, programs of various types, screen painter and form filling, and function groups, which are subroutines.

Examples of Tables , Data, and some other classes were examined. The structure looked good, with extensive comments in color, showing names and dates.

A 364 line report generator module was examined. So was a 232 line screen painter, which handled the "processing after input" and "processing before output."

R3 is always "interpreted". This means that users can see the source code. But it was claimed that it was not easy to copy, because of extensive local customization. A standard feature is on-line help, allowing click-on to data definitions.

7.13 O.tel.o personnel seem quite confident that this latest delivery will prove more successful, and that the BMW installation will go ahead. In answer to the question: "Would you use HCP again?", they answered positively, but with closer control and located at an o.telo site. But they emphasised that no such decision has been taken, and there is no obligation or necessity to continue with HCP. However, it will need to be taken soon, so that the work for the formal Release 1.0 can be started.

7.14 As well as this ongoing development, a critical decision is immediately required on the product launch. It had been planned to launch TeleTiger at the major European IT show, CEBIT, in March. This is now too late. Much work has been done on literature, pricing, contract documentation, product description, customer training, and customer service, but all needs to be finalized, committed, and the overall marketing plan reviewed and agreed.

7.15 More generally, the product manager, Astrid Lamberts, is concerned about retaining and strengthening the TeleTiger product team. In order to support the launch and to aggressively market and support the product, she is proposing a product team of 10 to 12 people, covering all areas such as marketing, sales, consulting, customer support, training, systems development, systems integration and QA. Astrid made this point on several occasions during the visit. Such a short-term team does not seem unreasonable for the launch and management of a major new product.

Appendix 3 provides a detailed answer to each question in the due diligence check list.

8. Conclusions

1. Despite an exhaustive review over two days, we found nothing untoward. The o.tel.o EDI activities are performed by a small but professional software team, working to good standards.

2. Apart for the two curiosities mentioned in Section #6, we found no use of non-original code except as noted in Section #6. Legal due diligence should check the proprietary notices listed to assure that appropriate licenses are in place for these programs.

3. The contractual arrangements for all the reseller communications utilities products should be checked by legal and by SCI/ISG business management.

4. We were unable to visit the third party developer of TeleTiger. A letter from HCP was requested and received, certifying no use of unlicensed code and stating that proper licenses have been signed.

5. The product strategy for Tiger in relation to further development, Year 2000, and transition to GENTRAN needs to be resolved. We believe that these pose serious technical issues.

6. The investment in the product launch, product development, marketing, and personnel for the new product, TeleTiger, needs to be addressed rapidly, so that the market opportunity can be exploited in a timely manner, assuming the product passes the QA tests and customer beta test.

Responses for *Tiger* Product to Due Diligence Checklist

A. TECHNICAL REVIEW (Also see Attachment E to Grad letter)

1 Major features/functions of the product

Provides a general EDI platform and services, including:
Connection to any internal or external mail system
Transaction logging and security
Message translation using translation tables
Database of standard message formats, with version control
Archiving and Retrieval
Syntax checking
Report generation facilities
SAP R3 IDOC interface
Message scheduling and control
On line documentation - DOS version only
EDI Partners database

1a Any installations with one-off or custom code or customer specific customizations ?

Almost all are standard. Exceptions are made for very large customers, but only two such were quoted: US Army, and E-Plus (14 systems, required a concurrent translator).
Note that although product is supplied as standard, most customers require specific integration with their own systems and communications, eg file interfaces, UNIX scripting

1b Any specific market features (eg VAT, VAN reconciliations, etc) ?

Yes. The product is for the German market. Language is German, but an English version is available. German (European) EDI standards such as X400 and EDIFACT are standard. German service providers are standard. But there are no specific national legal, tax, or accounting features.

2. EDI standards supported and delivered with the product

EDIFACT is most popular.
ODETTE and VDA - selected common messages.
EANCOM
IDOC for SAP R3, R2, and earlier
SEDAS
TeleboX 400
Tradacom
Phoenix
ADKAKOM - a Scandinavian standard
Probably others.

2a **How is SEDAS supported ? Generic translator or custom code ?**
SEDAS is a special format that requires a sort function. This is implemented for incoming traffic. Not yet available for outgoing, and so requires an external program.

3. **Communications protocols supported and scripting supported; how many network scripts are shipped with the product; ISDN cards and brics supported**
It was claimed that any required communications protocols can be supported. Specifically listed in a summary document are:

OFTP
X400 (1988 standard)
FTAM
IBM expedite
GE EDI express (via X400)
TeleboX.400 with API interfaces (a Deutsche Telekom protocol)
ODETTE File Transfer Protocol (OFTP VDA 491/2)
XCOM via LU 6.2
RJE 3780

SNM and MULTISAP (another SAP interface) were also mentioned.

Note that 1988 is a rather old version of X400. 1992 is current and 1996 emerging. This point was not discussed.

They do not have an Internet interface. Expecting Sterling to handle.

Appropriate "Access Units" are shipped with the product (but customers can DIY). There is no need for scripting if standard features are used, but scripting is often necessary for interfacing with internal systems. It is normal to provide a full consultancy service to the Customer

The question on ISDN is not relevant here; it applies only to the Communications Utilities section. No special hardware is required, but clearly the Customer must have a data communications facility.

4. **Usability of products (easy to set up partners, do maps, etc)**
Claimed easy, but this topic was not really explored. Usually the customer is given initial assistance and training, both chargeable.

A new feature "Productivity Enhancer" will help. Status of this development was not clear.

5. **Ease of installation plus installation procedure**
Supplied on a delivery tape, with an installation routine. Claimed to be very simple.

6. **Control features for managing and auditing processes**
The "*Tiger Monitor*" product looks at status in real time. Simple statistics available. Ability to delete message. Maintains audit records.

A new version of *Tiger Monitor* provides improved facilities, graphical presentation and better auditing. A demo version of this is available, but development has not been committed.

7. **International features:**
   - **Certification with international networks**
     No. Note that INS is not supported, but could be implemented with a file interface.
   - **Specific features for international use**
     Only German and English language versions
   - **Is the product "national language" enabled ?**

Only German and English.
There is one customer in Austria, and a reseller in Switzerland with a small number of customers.

8. **Security features and options**
An optional module "*Tigcrypt*" provides encryption, but most customers do not use it. Standard features are user names and passwords, receipt notification, and the standard security features of X400.

9. **Hardware platforms, operating systems, and data bases supported**
Sun (Solaris), Hewlett-Packard, SCO, and IBM (AIX).
No Digital, nor Siemens.
No porting plans, since no market demand.
It uses a proprietary database *Raima* (formerly called *DBVISTA),* as does *GENTRAN.*

10. **Special features for interfacing with other software products**
SAP is the only one. None of the others listed. MSAccess is a "special".
Tiger can build the special ELFE format for telephone bills.

11. **Complete listing of all third-party software or hardware products used in or with the software products**
Raima data manager
Vitamin C
Tigcrypt, which uses the *Score* library from *Concorde-Eracom*

See also Review of Code section in report (Section #6).

12. **Year 2000 compliance assurance for all software products**
NOT COMPLIANT. Although Tiger itself can handle 4 digit dates, any 2 digit dates are interpreted as 19.. . Also, all the third party products, including communications utilities, must be tested. This work is NOT COMMITTED, awaiting discussion with Sterling concerning product and migration strategy.

13. **What problems do they see in moving customers from Tiger Unix to Gentran Unix if/when SCI chooses to do that migration**
Substantial. This point needs serious technical (and marketing) consideration. Although both products occupy the same solution space, and both are successful, they are designed and implemented in very different manners. The architecture and philosophy are different. It is believed not to be possible to "convert" automatically, and every customer might require re-implementation from scratch, which would be difficult, expensive, and likely to generate customer resistance. There are differences in the comms handling, with GENTRAN more ANSI and modem biased, Tiger more X400.

It may be possible and desirable to do some product development on Tiger to make it more GENTRAN-like, (or even change GENTRAN to allow it to accept Tiger models), thus converging the two products, before or at the same time as migrating the customer base. This product strategy needs to be considered urgently, also taking into account the Year 2000 requirements.

14. **Maintainability**
The original DOS code, developed in 1989, has an old-fashioned architecture, without any obvious design methodology. Newer modules are more structured, with in-line documentation. The last two years' work has been to their new, very structured methodology. All this is typical for a product of this age. The DOS version is now frozen, with no further development expected. Limited development of the UNIX version is possible, depending on the Sterling migration plans. See also the section on Code Review.

B PRODUCT QUALITY

1. **Change Control process**
A formal process is used, designed by an internal task force "OrgKE". It uses a tracking tool "F&A". The key steps are:
   - creation of requirement or problem report
   - scheduling
     - problems are considered in 3 levels (fatal, errors, minor)
     - new requirements are considered by the internal "Tiger Management Board", and the release plan agreed
   - realization (ie development, fixing, testing)
   - release generation, by locking the source code and delivering to the release platform
   - QA, using test case specifications and test protocols
   - delivery

2. **Number, type, procedure for distribution and frequency of system fixes; number of releases supported**

   Number and frequency depends on requirements. There is no long term product plan, indeed at present all product strategy is in limbo. There are four types of releases:

   - General, for critical changes and new components, say every two years
   - Major, for large scale requirements affecting the data model, say every year
   - Minor, for error corrections or minor improvements, about two per year
   - Patches, for fatal errors or critical projects, as corrected.

   Distribution versions of selected components are extracted from the pre-installation environment (see previous answer) by "Projects and Consulting" or "Customer Support" teams, and delivered to customer on tape (for Unix), or floppy disk (for DOS).

   Many customers still have old versions, often without any support. O.tel.o. attempts to force customers forward, especially when the customer needs a new facility. The exact number of versions supported was not readily available. They do not seem to have a rigid policy on number of versions.

3. **Quality assurance process including test strategies, test cases and test procedure**

   All seem very strong. Set of basic tests that all releases go through, plus specific test specifications for each requirement, with expected results pre-determined.

4. **Open error corrections and open problem reports, volumes and activities**

   Eleven open errors are currently recorded. These are shown as "Priority 1", but actually refer to the top two categories of "fatal" and "errors". Four of these relate to the "tigkomm" component, for which the developer has left; another four relate to the full testing of "Productivity Enhancer", where the developer also left.

   It was mentioned that another two or three errors were in the pipeline, but not yet formally recorded.

   In addition, there are 20 to 30 category three errors (i.e., nice to fix).

   There are a further 18 topics listed as under consideration for future work, but these are NOT errors, and work has not been authorized.

   This formal process for error management has been running for some 18 months.

5. **Customer technical communications**

   Customer input is obtained via the Customer Service staff, Consultants, Project Managers, Salesreps. They do not have a formal Customer Board. They thought that would be a good idea.

C Projects in Process

1. Current development projects

- Designtool/Productivity Enhancer has been into QA, but now back into development to solve several important errors. See above.

- Graphical Monitor Tool to replace Tiger Monitor. Demo available, but project not currently resourced.

2. Current enhancement projects

- Port to SCO Unix 5.04
- A specific customer requirement for Braun, now completed, in next release
- Other ideas, as above, but none are confirmed.

3. Outstanding commitments to Customers

- The Braun requirement shown above
- A Year 2000 solution is required

4. Any strategic development partnerships

No

D Product Design and Implementation

1. Languages used for product development and versions of compilers; platforms for development

Languages: C and Visual Basic . (One module in C++, but not delivered)

Compilers:	Windows NT	Ms Development Studio Version 5.0 Visual Basic 4.0
	DOS	C6
	UNIX	Standard compiler for platform

Development platforms include NT, Unix, Windows 95.

2. Any special development tools used

- c2h, a shareware utility for C header files
- lint, a C language utility
- purify) Development licences necessary
- inside, checking memory)

3. **Prerequisites for running product/runtime licences required**
   - Raima Data Manager) User licences are
   - Vitamin C) NOT required
   - Tigcrypt (optional) uses "Score" library from "Concorde-Eracom"

4. **Source code for all products; access to source code; number of programs and lines of source code**
   Source code is held on site. Access is by user id and password. Normal security controls. No specific counts available, but about 120 modules, of up to 2000 lines, an average of 1000 lines, so say 100,000 to 120,000 lines of code in total.

5. **Software/code management tools used; configuration management methods**
   CVS is used to manage source, including version control. There is one source version covering all variants (not different sources for different variants). This can be compiled onto different platforms.

6. **Code review to assure no use of non-licenced code**
   See Section #6 in report.

7. **Any proprietary notices in either source or object code**
   Yes, Raima and Vitamin C.
   But alse see Code Review section #6 in report.

8. **Structure of code and quality of code documentation**
   Depends on age of code, and varies somewhat. Recent work is excellent. See Section #6 Code Review.

9. **Development methodology used**
   For newer work: Data encapsulation, modularity, small interfaces, reusability.
   For older work, no methodology is obvious.
   See also Code Review (Section #6 in report).

10. **Type of documentation for design specs and program specs**
    Again, newer work is excellent. Extensive documentation within source. See Code Review (Section #6 in report).

11. **For third-party development, source code location, control, management procedures, interfaces, etc**
    Not applicable for this product. Tiger is all in house.

Responses for *Communications Utilities* Products to Due Diligence Checklist

A. TECHNICAL REVIEW

1. Major features/functions of the products

O.tel.o. markets a series of interface products depending on the physical communications medium (eg dial-up, ISDN, X25, etc) and the communications protocol (eg OFTP in only 10% of customers, X400 in the vast majority). X400 usually involves a public service provider. Messages can be either collected from the service by the Customer, or delivered automatically whenever they arrive. These products interface with the Access Units which in turn are built into the core Tiger product. Almost all products are resold third party software. The principal products are:

- *Isoplex*, an X400 Message Transfer Agent) all these are from
- *Isotrade*, the related Access Unit) *Isocor*
- *Isogates*, a range for X400, ccMail, etc) in Dublin
- *Odex* - ***Supplier not clear. This needs to be checked.***

Other products mentioned were:

- MS Exchange, but only 2 or 3 customers
- CoCoNet (Computer Conversion Network) another MTA comparable to Isoplex
- NetCS, but not clear whether this has been discontinued.
- MTAccess, an in-house product, which is cheaper but not as good.

1a. Any installations with one-off or custom code or customer specific customizations ?

No, all are supplied as standard.

1b. Any specific market features (eg VAT, VAN reconciliations, etc) ?

No. All are in English (maybe not CoCoNet ?)

2. EDI standards supported and delivered with the product

Not relevant. These products relate to the communications media and protocols.

2a. How is SEDAS supported ? Generic translator or custom code ?

Not applicable.

3. **Communications protocols supported and scripting supported; how many network scripts are shipped with the product; ISDN cards and brics supported**

Scripting is not supported. It is usual to provide a service to Customers to set up, customize, and check their communications environment. This can include the supply of hardware such as ISDN cards.

4. **Usability of products (easy to set up partners, do maps, etc)**

X400 is the easiest, with an easy, graphical user interface, and a graphical tool to customize. But it can be difficult to diagnose any problems. MS Exchange is also customizable fairly easily. Odex is the most difficult, requiring an expert to edit ASCII files.

5. **Ease of installation plus installation procedure**

There is always a heavy communications set up involved. Although many customers could do this themselves, most do not, preferring to leave it to o.tel.o specialists.

6. **Control features for managing and auditing processes**

All products have good logging facilities to do this. Isoplex is best, with a selection facility. Exchange is similar. Odex is the most standard.

7. **International features:**
   - **Certification with international networks** (Not sure if this is formally certified or by whom.)
   - **Specific features for international use?** (No)
   - **Is the product "national language" enabled?**

No. All products use English. (MS may have a German version, but this is not used).
They do NOT have an INS product.

8. **Security features and options**

All are described as good. Exchange is equivalent to NT, with User Ids. Odex relies on and only allows trusted partners. X400 is strongest.

9. **Hardware platforms, operating systems, and data bases supported**

Same as Tiger.

10. Special features for interfacing with other software products

All interface with Tiger, using appropriate Access Units.

11. Complete listing of all third-party software or hardware products used in or with the software products

Please see Q1 above.

12. Year 2000 compliance assurance for all software products

Isoplex/Isotrade claim compliance, but this has not been tested.
MS Exchange similar. Odex unknown.
Rest are believed ok, but need testing.

13. What problems do they see in moving customers from Tiger Unix to Gentran Unix if/when we choose to do that migration

Quite serious problems with Tiger, but less so on the communications side. GENTRAN uses TAPI mode which is not used in Germany. It was said that GENTRAN MAPI is still not usable, not stable, and that Sterlinghas failed to understand and deal with this issue. An example was given of a major office supplies company (Herlitz) with a high volume/high value EDI business. An "explosion" was expected from this customer at a joint Sterling/o.tel.o meeting in Berlin in late January.

14. Maintainability

Not really applicable, as all are resold products. In terms of support and maintenance, Customers can use the help desk, but this is rare. There are no formal mechanisms for o.tel.o to communicate any requirements to the software supplier, but there are good informal communications. They could talk to their Sales offices, but this is not often needed.

B PRODUCT QUALITY

1. **Change Control process**
2. **Number, type, procedure for distribution and frequency of system fixes; number of releases supported**
3. **Quality assurance process including test strategies, test cases and test procedure**
4. **Open error corrections and open problem reports, volumes and activities**
5. **Customer technical communications**

None of these applicable here. All products seem of good quality.

C Projects in Process

1. **Current development projects**
2. **Current enhancement projects**
3. **Outstanding commitments to Customers**
4. **Any strategic development partnerships**

No/none in all cases. Some bad experience in the past of failed commitments to Customers, but all appears well at present.

D Product Design and Implementation

1. **Languages used for product development and versions of compilers; platforms for development**
2. **Any special development tools used**

Neither of the above is applicable.

3. **Prerequisites for running product/runtime licences required**

Customer needs an appropriate comms environment, eg an ISDN card, or X25 facility, but no licences.

4. **Source code for all products; access to source code; number of programs and lines of source code**

No. o.tel.o does not have access to source.

5. **Software/code management tools used; configuration management methods**
6. **Code review to assure no use of non-licenced code**
7. **Any proprietary notices in either source or object code**
8. **Structure of code and quality of code documentation**
9. **Development methodology used**
10. **Type of documentation for design specs and program specs**
11. **For third party development, source code location, control, management procedures, interfaces, etc**

None of these is applicable (or else answers are unknown).

Responses for Planned *TeleTiger* Product to Due Diligence Checklist

A. TECHNICAL REVIEW

1 Major features/functions of the product

TeleTiger is an application module within a Customer's SAP/R3 environment. It takes telephone bills delivered by an EDI service, repackages them for SAP, interfaces directly with the SAP standard modules FI (Finance) and CO (Controlling), and splits costs by the Customer's cost structure. It uses master data from the telcos to perform contract administration and bill checking. It uses the German INET protocol for telephone bills (a subset of EDIFACT, but a rival to the more European ETIS standard). Future plans include ordering of phone lines, and interfacing with SAP workflow. The product is currently in prototype at a Customer site.

A four page product description is available.

It was stated that at June 1997, there were 4222 R3 installations worldwide, and the number was growing rapidly.

1a Any installations with one-off or custom code or customer specific customizations ?

There is only one customer at present, BMW. The intention is to make the product as standard as possible.

1b Any specific market features (eg VAT, VAN reconciliations, etc) ?

It is specific to the German market to start with, by virtue of the INET standard, which is used by Deutsche Telekom, E-plus, Hutchison, but not by D2. The ETIS and other local formats for EDI telephone bills would need to be incorporated to address other national markets. It uses English language throughout. Also uses German VAT, but this is unlikely to be a problem for other European markets.

2. EDI standards supported and delivered with the product

Only INET to start with. Assumes X400 as the messaging environment.

2a How is SEDAS supported ? Generic translator or custom code ?

Not applicable.

3. **Communications protocols supported and scripting supported; how many network scripts are shipped with the product; ISDN cards and brics supported**

   X400 only.

4. **Usability of products (easy to set up partners, do maps, etc)**

   Equivalent to other SAP modules, and fully consistent in style. Probably only one Partner - the phone company. Mappings based on INET.

5. **Ease of installation plus installation procedure**

   Aiming for two days to install. Standard SAP installation procedure. Special facility to take on old, non-SAP data.

6. **Control features for managing and auditing processes**

   Not applicable. Standard SAP environment provides control.

7. **International features:**
   - **Certification with international networks**
   - **Specific features for international use**
   - **Is the product "national language" enabled ?**

   German market only to start. There is a firm intention to address the European SAP market, but this will require some further product development. English language at the outset.

8. **Security features and options**

   This is a Customer responsibility. Standard SAP feature apply, namely User Ids and passwords. Note that in the SAP environment, the customer has access to the source code, and it is extremely difficult to prevent copying.

9. **Hardware platforms, operating systems, and data bases supported**

   TeleTiger is platform independent. It will operate on any SAP platform, namely Unix, NT, or AS400. (The development was done on NT).

10. **Special features for interfacing with other software products**

    Uses the IDOC standard to interface with SAP. No other interfaces.

11. Complete listing of all third-party software or hardware products used in or with the software products

Claimed none. Being verified through HPC certification.

12. Year 2000 compliance assurance for all software products

Yes, compliant from the outset.
But NOT Euro compliant.

13. What problems do they see in moving customers from Tiger Unix to Gentran Unix if/when we choose to do that migration

Not applicable.

14. Maintainability

Uses SAP standards. No problems expected.

B PRODUCT QUALITY (Also see QA summary from Liersch which is Attachment H in Grad letter)

1. Change Control process

Plan to use the same process as Tiger.

2. Number, type, procedure for distribution and frequency of system fixes; number of releases supported

Not applicable yet. The prototype version has been frozen from the outset, both to provide stability for the development and testing, but also to protect the fixed price. This means that there is a queue of new requirements, and the contents of the next release (1.0) are just about decided.

3. Quality assurance process including test strategies, test cases and test procedure

This is all in place, with a formal test methodology, test database, and hundreds of test cases. See also Section #7 in the report on TeleTiger development.

4. Open error corrections and open problem reports, volumes and activities

The prototype is "95%" complete. Now due end Feb. See Section #7 in the report.

5. Customer technical communications

Via customer contract for the prototype. Generally, via Sales, Consulting and Customer Service.

C Projects in Process

1. Current development projects

- Completing the prototype development
- The prototype installation at BMW
- Various Customer Prospects

2. Current enhancement projects

The content of Release 1.0 is about to freeze.

3. Outstanding commitments to Customers

Only the launch Customer - BMW.

4. Any strategic development partnerships

The relationship with SAP should be considered "strategic". SAP has a very formal Accreditation Program. TeleTiger accreditation was due at end of December, but has been held up by delays at the SAP end.

The relationship with HCP who are developing the software is also critical. Who will maintain the software?

D Product Design and Implementation

1. Languages used for product development and versions of compilers; platforms for development
2. Any special development tools used

It is written completely in the SAP workbench ADAP/4.

3. **Prerequisites for running product/runtime licences required**

- SAP/R3 Basic System
- An EDI system, such as Tiger or Gentran
- A data communications facility.

No other run time licences.

4. **Source code for all products; access to source code; number of programs and lines of source code**

Source code is held at o.tel.o (as well as at HCP). Access is normal, with Ids and passwords. Number of programs/lines was not checked, but see Section #7 in report on Development. Said to fit on one floppy.

5. **Software/code management tools used; configuration management methods**
SAP and ADAP/4.

6. **Code review to assure no use of non-licenced code**
See Section #7 in report.

7. **Any proprietary notices in either source or object code**
Not checked. See Section #7 in report.

8. **Structure of code and quality of code documentation**
Looked good. See Section #7 in report.

9. **Development methodology used**
ADAP/4

10. **Type of documentation for design specs and program specs**
Requirement spec of 58 pages. Program documentation built into source. Very extensive test documentation. Customer Handbook still to be written.

11. **For third party development, source code location, control, management procedures, interfaces, etc**

See separate section. Development took place at HPC premises in Mannheim, near Heidelberg, about 400km south of Dusseldorf. Code is transmitted to o.tel.o by FTP. Clearly, this has involved some loss of control. Control at o.tel.o appears good. See separate report by Randy Harvey (SCI/ISG) dated 2/17/98; it is Attachment F to the Grad Summary letter.

Technical Audit of Roger Programs

by Peter Clayton

Tiger

The code resides on a UNIX server with the machine name abacus.

The code is separated into a large number of files, which suggests a good structuring and also that multiple programmers have worked on the code.

The code is multiple platform; this is clear from the large number of # define 's and #ifdef 's, which are compiler directives.

The commenting varies, but all comments are done to a reasonable standard. This is usual when there are multiple programmers, as a great deal of content comments is only a personal style. Most of the comments are in German, unsuprisingly, but most can be worked out by anyone with a reasonable amout of German.

Most function names and variable names are English in style, exceptions are usually quite close, such as archiv, missing the ending 'e'.

I approached the code from two directions. Firstly I selected a random sample of about 25% of the code modules to examine for style, content and clarity, and then I used the "grep" command to search all the files for copyright notices etc.

The comment level of the code varies, as is normal for a multiple developer project. Throughout, though, the level is high. The least documented (to say 'worst' would be unfair) was an old module which contained only the programmer's name, the date, notes of changes along with dates, and some comments in code.

The best examples were, quite simply, exemplary. These had at the head of the module:

Ownership notice
Programmer Name
Description of the module as a whole

Prototype and description of each function, and its workings
Description of each argument and return parameter of each function
List of other functions related to the function being described

Further to this, there were comments in the code explaining local functionality, and changes. Also there was a complete change log at the end of the file.

This is probably the best documented code I have seen; it puts mine to shame!

To scan the files for copyright notices, I used grep, a UNIX command which can search through a number of files for particular sequences of text.

The commands I used were:

```
grep -lin 'copyright' *.c
grep -lin 'copyright' *.h

grep -lin 'copy' *.c
grep -lin 'copy' *.h

grep -lin '(c)' *.c
grep -lin '(c)' *.h
```

These search all files with name *.c or *.h for any lines with copyright, copy, or (c) in. These are the most common forms of copyright messages. the options -lin tells grep to ignore lower/upper case distinctions, and print the offending filename, linenumber and line.

This picked out a number of notices, most of which refered to Meldung, Vista and Vebacom. These are all okay, being old names or libraries used.

One module, crypt.c, had a copyright notice like this:

IBM IIN - ExpEDIte/PC (C) Copyright IBM Corp. 1996 Version 1.3.1

After much digging, I am sure that this module forms no part of the program, as I could not find (again using grep) any reference to crypt.c.

I performed this operation on all the source code I could find under the /src directory, and came up with nothing new.

TeleTiger

This application was written in the SAP language ABAP. We weren't able to see the source code, but I understand this will be handled separately.

DesignTool

The nature of this program was hard to understand through the language barrier, but it is basically a Visual Basic (VB) front end making calls to a DLL written in C. The C calls in the DLL are the same ones used in Tiger, so the above comments for Tiger apply. The VB code seemed to follow the pattern of the C code, with excellent documentation, and a highly structured approach.

This application will use InstallShield for the installation. This may need a run time license, but I'm not sure of the details. It is a very common program used to perform the installation duties of other programs.

Product Description: This is a vertical solution for optimizing the management and validation process of telco bills. The genesis for this product is based on an old DOS solution provided by Lion. This system called ELFE is in place at roughly 40 customers and provided limited capability in reviewing and validating telco bills. The Tele Tiger system is based on the evolving INET document standard, a subset of EDIFACT. The market need being addressed is the current inability of SAP to provide automated or on-line viewing/validation of detailed telco bills, no method for splitting the cost within the CO module, and no on-line method to manage telco contracts and master data. In many instances this type of validation and review is done by reading through the paper bills or is not done at all. The developed system is integrated into the SAP environment.

Target Market: This market, as defined by o.tel.o, is all R/3 sites in Germany (728 NT, 2350 UNIX) and eventually throughout Europe and the U.S. They do not break down the opportunities anymore than this level. An obvious requirement is that a prospect's telco provider supports the INET standard. The current INET billing document is in review and not fully approved. Only 3 of 5 telcos in Germany (DT AG, Mannesmann D2, & E-Plus E1) can provide electronic bills. Interestingly enough, not even o.tel.o provides these bills.

Competition: The main competitors for this product run standalone solutions based on DOS, Windows and NT. The main competitor, Bodo Peters has an FTP process for the IDOC structures to be accepted within SAP. Another competitor is Com Control.

Positioning: It appears that o.tel.o was going to use this vertical solution as the lead in to not only solving a particular niche need but also as a way to sell more Tiger EDI Gateway software and messaging services. This solution is dependent on having an EDI solution that can process the INET billing document and a fairly secured messaging pipe. According to C Weber, being a part of o.tel.o had proven a negative as none of the other telcos were particularly interested in partnering and the fact that o.tel.o did not support the INET document was also viewed as detrimental.

Pricing: The pricing model very much reflects the services approach to the business. The view is to sell the complete solution, message services, EDI and bill validation & management. Outlined below is a rough pricing model reviewed by Astrid Lambert, the product manager.

Tele Tiger Pricing Matrix

Component	Price in $	Details
Tele Tiger SW	25,200	
Installation (required service)	2,240	2 days
IDOC customizing/booking	2,688	2 days mandatory
Project Mgmt	2,688	2 days to define project
Training	4,032	3 days
Total Tele Tiger SW & Services	**36,848**	This is base does not include a services package for all the admin set-up & any mapping
Yearly Tele Tiger Support	20% SW	Yearly support
Tiger on UNIX SW	9,740	SW & training
Installation	2,240	
Total EDI Gateway for Tele Tiger	11,980	Does not include IDOC mapping or testing
Support	15% of SW	
X.400 P7 Connection SW	1,008	
Installation of RUA	1,120	
Monthly ADMD charges		

This pricing model does not include what appears to be a significant client services opportunity in IDOC customization and control data set-up and configuration. According to Astrid this client services effort could be anywhere from 2 to 15 days.

Prospects: The current list of prospects is limited to BMW and 4-5 internal Veba subsidiaries. This is primarily due to BMW's insistence they keep from fully marketing the product until BMW has it up and running. They have told roughly 20 customers about the product and say they are

very interested. BMW has assisted in the funding of building the product with a 100.000,00 DM investment.

Product Features: The product, over time, is intended to provide the following features:

Functional Capability	Release	Telco Ready	Required E Doc Now
Receive telco bill electronically (INET)	1.0	Some	Yes
Ability to manually validate bills for: - Is pricing correct - Are accounts still active	1.0	N/A	N/A
Ability to split cost information for loading into the CO module of SAP	1.0	N/A	N/A
Reporting capability via data exchange with desktop tools such as Excel.	1.0	N/A	N/A
Electronic management of master contracts from telco, includes E-doucment for receiving contract info	2.0	No	No
Integration with in house phone system for matching billed traffic versus actual traffic reported	2.0	N/A	N/A
Workflow integration with SAP	2.0	N/A	N/A
Electronic management of telco pricing catalogs for circuit, line, phone, etc.	2.0	No	No
Ability to send electronic orders and notices to telcos.	2.0	No	No
User exits	2.0	N/A	N/A

Development History & Approach: An external software house, HPC, performs all current development. This company was picked due to their extensive experience with SAP development and some prior relationships. The entire project for release 1.0 is based on a fixed contract that HPC has already exceeded in terms of price and time. HPC has been working on the project for roughly 1 year. BMW has participated in the requirements definition. Much of the product functionality is dependent on new INET documents and the general acceptance of these documents by the Telcos. The system is written in ABAP/4 and runs within a SAP environment. The system is stated to be in prototype stage with 95% of the release 1.0 work complete. Final QA testing is being done by o.tel.o. Their initial customer is BMW who contributed 100.000 DM to the project and will serve as a test site. Once the release is certified and

turned over to o.tel.o HPC only has a 6-week commitment on bug fixes. There is no support contract in place at this point in time. HPC has requested to be a reseller. They were also interested in reselling rights in the U.S. They have roughly 30 people working in the States and 50 in Germany.

An independent consultant, Jurgen Liersch, has been contracted to assist in QA and overall product review. O.tel.o had planned to contract Jurgen for about 10 days a month to assist with the next release. Currently, 2 developers within o.tel.o are involved in this project. Friedhelm bar is the overall project coordinator and tester and is supported by Alfons Meisenfelder.

Revenue & Cost projections: The following lays out a very high level projection about the product's revenue potential. The revenue numbers are stated as being very conservative and the cost numbers do not include any internal costs for resources nor hardware and software. Sofware revenue assumes a fixed price of $25,200 and client servcies revenue assumes just the basic installation, training and project management of roughly $12,000 per site.

Year	Cost	Rev SW	Rev Ser.	Units
1997	$280,000	-	-	
1998	$224,000	$302,400	$144,000	6NT 6UNIX
1999	$140,000	$554,400	$264,000	15NT 7 UNIX
2000	$140,000	$907,200	$432,000	36 total
Total	**$784,000**	**$1,764,000**	**$840,000**	

I estimate that the costs are under estimated by roughly $200K in 1998 and $300-$400K per year in 1999 and 2000. The unit count may very well be low but is an unknown given the lack of better market data.

Organizational Requirements: Significant skills and infrastructure are required to support this type of application. The sales model is a real application solution sale with knowledge required not only about SAP but also telco billing, EC, and potentially messaging. This knowledge would be required at both a sales and a pre-sales support level. To effectively market this type of product, knowledgeable Marcom resources would be required as well as someone working a strong partnership with SAP to get their name behind this product. Within support, client services and development, knowledge will be required for the SAP environment, how to

install components, ABAP/4 programming, IDOC processing, table access to the SAP databases, Tele Tiger processing, and EC. An SAP environment for testing and troubleshooting will be required as well as an ABAP/4 development environment.
Issues: Should SCI sell, market and support this type of product.

Strengths	Weaknesses
• Understand EC and IDOC process • Good Project management skills for managing this type of project.	• No SAP experience • No true application sales model, etc • No ABAP/4 development experience • No support, development infrastructure for this type appl.
Opportunities	**Threats**
• Differentiates us from competition in the eyes of SAP as well as in the eyes of SAP prospects. • Use as a lead position in selling traditional products • Gives us a true vertical solution to experiment with	• Cost to support becomes unbearable • Diverts/distracts us from core business activities.

Issue: Is there a true market for this type of application?
Recommendation: We need to find out fast.

o.tel.o

Answer of HPC to Christoph Weber, dd 5th February 1998

Dear Mr Weber,

thank you for your letter dd 2nd February 1989. Please find our answers to your questions in the following:

as to 1.:
HPC developed all objects of the development class ZZTT which comprises the standard market version of TeleTIGER for o tel.o. It is a first work, exclusively done for LION Edinet, Vebacom respectively o.tel.o.

as to 2:
When deploying add on developments to SAP R/3 generally in R/3 available development tools are used such as standard functionality modules, lock objects, match code objects, data elements and domains. The TeleTIGER Software also makes use of these standard tools. The menu items „system" and „help" being part of the TeleTiger surface with enqueued standard functionalities are also considered to be standard. Starting from the TeleTIGER menu there are further access possibilities to the following R/3 standard functionalities:

- adress maintenance via SAPMSAD0 and SAPLSAD0 programs
- IDOC administration via reports RBDMANIN and RSEIDOC2
- creditors maintenance via SAPMFO2K program (only with customizing flag for LFA1)
- profit center maintenance via SAPMKMA1 program (only with customizing flag for CSKS)
- bank master data maintenance via SAPMFO2B program (only with customizing flag for BNKA)

as to 3:
Currently, the copy rights of the TeleTIGER development class ZZTT are exclusively owned by HPC. The objects of the SAP standard mentioned under point 2 are not part of this development class thus not being contained in the market version of TeleTIGER. Therefore, no copy right conflict is expected from this side. If at all third party copy rights could be affected by TeleTIGER these would be copy rights of SAP AG.

If you want to make sure that no patent right infringement occurs you can ask SAP to officially declare /release TeleTIGER as R/3 add-on software.

We hope that the above mentioned information will be of use to you.

Yours sincerely,
HPC Heck & Partner
Consulting GmbH

Wolf-Kersten Meineke

2/11/98

To: Burton Grad

From: Christoph Weber

I have made some remarks to the several issues of the HPC letter for a better understanding:

As to 2: In terms of copyright, the access to standard functionalities during production times is covered by the license for the basic system (module BC). Without the letter, no R/3 instance is possible (functions: "help", "system", "address maintenance").

The use of the components that can be adjusted via customizing is covered by the license of the other modules. The integration of Teletiger via customizing would not make any sense without these modules (FI and CO).

As to 3: Upon acceptance of the final Teletiger version, the copyright is transferred to o.tel.o (respectively to its successor organization).

TeleTiger QA Report

The conduction of the TeleTiger pre-testing shows the following results:

test aspects	number of errors / improvements	comment
programming logic	7	market readiness not given
GUI	73	the acceptance of the product is slightly reduced
functionality	19	Additional features/changes to enhance user friendlyness

Programming logic

Errors of this category cause delays in the product launch. Examples:

- change of layout of telco bills impossible
- correction of defective IDOC's impossible
- wrong writing of SAP standard tables (thus reducing the SAP standard functionality)

GUI (surface)

Some transactions are not user friendly. Partly it is difficult to identify linked objects as such. A quick search of data linked to each object is not ideally supported and thus aggravates the handling of those objects. Some examples:

- A user cannot recognize whether an item of a bill belongs to an individual bill or a collective bill. The selection of a single item is difficult and presupposes that the user has a guess of the bill. The processing of a bill requires the user to fill in four different fields that identify it precisely. From a technical point of view, however, a single data field would be sufficient. A straight forward search and processing of a complete bill therefore is not possible.
- The sales order processing allows no selective search, i.e. if item 13 of an order is to be looked at, the user needs to click through all 12 previous items. SAP, however, offers comfortable solutions to this issue. In most standard transactions a brief information on the object and a list of all items linked is given. SAP features allow the user to refer to the desired item.
- The error correction of telco bills sent via EDI is very cumbersome and is not conform with the standard SAP IDOC interface. If an error occurs within an IDOC, a mail pops up that is being stored in a pre-defined file. The assignement of errors to a responsable employee is not possible. The mail does not contain any information on the respective IDOC. There are no functions to handle the error based on the mail received (SAP standard functionality)

Functionality

This category does not contain any „real" errors. The listed improvements can be considered in a later release.

Summary:

- Regarding that this is not the final version, the TeleTiger is from a technical point of view stable.
- The GUI is very bad in some transactions which will cause problems in the daily use, trainings and sales presentations.
- The required functionality is mostly given.

From Juergen Liersch
10/97

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HPC

THE SAP-Development and Implementation Partner

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Founded by one of the first SAP professionals more than 10 years ago, HPC Heck and Partner Consulting successfully provides SAP services across Europe and North America. HPC SAP implementation method guarantees accelerated project progress for all industries, world wide.

Our services

Our services maximize the opportunities inherent in SAP systems. We offer:

- SAP Consulting
  Use SAP provided standard functionality with your business requirements in mind and our expertise!
- Project Management
- Change Management
- Business Process Reengineering
- Design and Development of Custom Solutions and Interfaces
- SAP Add-Ons

Our expertise

Our expertise in SAP guarantees outstanding performance. HPC can provide custom support that is tailored to the specific project needs of a company. In close cooperation with our **SAP-Systemhouse, C&S Consulting & Solutions**, we provide innovative ***"Configured to Order"*** SAP R/3 solutions.

Our clients

Our clients in the United States and Europe include some of the largest companies in the World. *We understand the special needs of large and small companies regarding SAP!*

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wwwadmin@punkt.de

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Service & Solutions

System Installation The installation of large client/server systems, such as SAP, requires careful analysis of existing and proposed systems. HPC provides strategies to successfully accomplish this transition.

System Configuration SAP software is extremely flexible. System configuration is therefore a critical stage of an SAP implementation. HPC, with its 20 years of SAP experience, can ensure that you get the maximum benefit from SAP software based on your particular requirements.

System Integration Standard software cannot meet all the needs of every user in all industries. HPC has extensive experience using SAP tools and interfaces, such as Workbench and User-Exit, to adapt or extend standard SAP functionality.

Release Changes The fast growing SAP market demands new program functionality at an accelerating pace. HPC can help install new releases quickly and smoothly, without significant system interruption.

Migration The transition from mainframe to client/server systems involves many challenges. HPC's proven competence in R/2 and R/3 guarantees smooth migration with tasks such as data conversion and interfaces from R/2 to R/3 and from other legacy systems to R/3.

EDI SAP R/2 and R/3 communicates with external systems via IDOCs. HPC, as one of the developers of SAP's standard EDI module, is an excellent source for assistance in this area.

FERC The US-Federal Energy Regulatory Commission requires special B/S and P&L reporting. HPC's FERC add-on provides this essential feature to relieve you from extensive additional data compilation.

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Hot Topics

PG&E Is Live !

One of the largest SAP R/3 installations in the United States went live with release 2.2E on May 1, 1996. Moreover, the first month end closing went smoothly and with better than expected performance.
HPC, as part of the project lead, provided extensive custom programming and implementation assistance for FI, CO, AM, MM and PS modules. PG& E also implemented SAP's solution for FERC (Federal Energy Regulatory Commission) reporting, which HPC designed and developed. Moreover, HPC enhanced the performance of R/3 to satisfy the system response time requirements of PG&E.

SAP on the Internet!

SAP R/3 will be accessible via the Internet. Applications such as HR Benefits (W4 and 401K forms) and SD (sales order management) can be attached to WEB pages with SAP's Remote Function Call technique. HPC will be ready to support its clients with their SAP-WEB needs!

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Customers of HPC

	Customer	Line of Profession	Services performed by HPC
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	DOW Chemicals Midland Michigan, USA	Chemical	SAP - IDOC
	Hitachi Semiconductors Dallas, TX	Semiconductors	Human Resources
	Lyondell Houston, TX	Petrochemical	Human Resources
	Menasha Papers Menasha, Wi	Paper Manufacturer	Human Resources
	OG&E Oklahoma, OK	Utility	Complete R/3, FERC
	PG&E San Francisco, USA	Utility	SAP Installation and Project Lead, Asset Management, Finance, Controlling, Material Management, Project Systems, FERC
	SAP - AG Germany, SAP Inc. USA and Canada		Software Development
	Suburban Propane Whippany, NJ	Utility	Human Resources
	Warner Lambert Parsippany, NJ	Chemical	Human Resources
	WEPCO Milwaukee, WI	Utility	Finance, Controlling, FERC
Europe Europa	*BASF AG* Germany	Chemical	SAP Consulting, EDI, Asset Management
	Boehringer Mannheim Germany	Pharmaceuticals	Migration R2/R3, FI / MM / SD / ALE connection to R/2
	Ciba Geigy Germany	Chemical	Migration R/2 to R/3, Asset Management, Finance, Controlling, Material Management
	CUBIS		SAP Installation Consulting

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THE SAP-Development and Implementation Partner

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E-MAIL: BURTGRAD@AOL.COM

Date: February 10, 1998

To: Pat Davis
Randy Harvey

Copy: John O'Sullivan

From: Burton Grad

Subject: Open Technical Issues
Reference: BGrad memo of 2/5/98

Per our discussion of February 10, 1998, these are the conclusions and required actions by BGAI.

1. Technical issues regarding Tiger
   - 5, 8, 12, 13, 16, 17, 18, 19, 20, 22

   were discussed by Randy Harvey at review meeting February 9 and have been satisfactorily resolved:

   - Tiger DOS and Tiger UNIX will not be sold to new customers, will not be supported outside of Germany, will not require enhancements or extensions or additional development facilities.
   - Y2K work will be done to keep current customers on maintenance, but this is quite a limited requirement.
   - SCO UNIX 5.04 will be completed

   - Open issues on Tiger
     - Legal resolution of #1 (including Meldung and Install Shield) and #24
     - Establish Tiger customer list (from financial records) (#21)
     - Clarify Braun requirement (#23)
     - Legal resolution of #25 (Tiger Source Code access)

2. Technical issues regarding Com.Util:
   - #2 -- awaits legal review
   - #7 -- Gentran can interface with ISOCOR
   - #26 -- Y2K compliance should be tested for ISOCOR; others are not significant

3. Technical issues regarding TeleTiger:
   - Legal review of HPC agreement (#3) (4)
   - Certification of HPC "ownership" (#8) 2/11/98
   - TeleTiger interface with Gentran (#6) as well as #11, #14, #15, #27, #28, #29 and #30 will be addressed at 2/13/98 meeting by Randy Harvey

4. Other Issues:
   - #10 -- problem with Gentran has been resolved~~; eliminate from report~~. To be eliminated from report.

Therefore, BGAI will only pursue:

#1 and #25 -- Legal reports on Tiger licenses - Grad
#2 -- Legal reports on Com.Util licenses - Grad
#3 -- Legal reports on TeleTiger licenses - Grad
#4 -- HPC ownership certification on TeleTiger - Grad
#9 -- Review Liersch assessment on TeleTiger - Grad
#21 -- Review Tiger Customer List - Grad
#23 -- Braun Requirement - O'Sullivan

BG

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January 7, 1998

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Mr. Dennis Byrnes
Sterling Commerce, Inc.
4600 Lakehurst Court
Dublin, Ohio 43017

Dear Dennis:

Burton Grad Associates, Inc. (BGAI) proposes to perform the requested due diligence review of "Roger" for Sterling Commerce, Inc. (SCI) and Sterling's Interchange Software Group (ISG).

Objectives

SCI and ISG want to have an independent due diligence study performed to ensure that the technical representations made by Roger to SCI and ISG are accurate and complete. SCI and ISG also want to be sure that there are no product or other technical issues which would impact estimates of current value or projections of future profits.

BGAI, an independent consulting firm with extensive experience in due diligence studies, is pleased to perform these due diligence activities so that SCI and ISG can proceed with the acquisition process in a timely manner.

Work Plan

1. BGAI will request certain information from Roger for the technical areas to be examined. The request list will be sent to Roger as soon as the content has been reviewed and approved by SCI and ISG.

2. BGAI will conduct on-site interviews with key management of Roger and examine relevant Roger materials for the assigned technical areas.

3. BGAI will then analyze the Roger materials and interview notes to identify any areas of concern and potential problems in the assigned technical areas.

4. BGAI will prepare a report summarizing its findings without disclosing Roger-identified confidential materials

Staffing

The project will be managed by Burton Grad, president of BGAI, with John O'Sullivan, a BGAI Associate, as technical consultant on this project. The on-site technical review (product development process and product assessment) will be conducted by O'Sullivan with assistance, as needed, by a qualified programmer.

All other areas of significance (legal, financial, human resources, marketing, sales, support, customer satisfaction and administration) will be covered separately by SCI and ISG using designated consultants or Sterling personnel and are not part of the BGAI assignment.

A professional profile for Burton Grad is enclosed as Appendix A-1. John O'Sullivan's profile is attached as Appendix A-2. The profile for the selected programmer will be sent as soon as the individual has been selected.

SCI, ISG and Roger will assign BGAI liaisons.

Schedule

Selected materials should be sent to BGAI and to O'Sullivan by January 12, 1998 for review. Appendix B is a preliminary list of the items requested. Some of these items should not be sent, but kept at Roger for on-site review.

If possible, the on-site meetings for O'Sullivan will be scheduled for January 26-27, 1998 in Dusseldorf, Germany.

A preliminary oral report covering any high risk items will be given to SCI and ISG by January 29, 1998. The final report will be delivered by February 3, 1998, unless additional due diligence work is requested by SCI/ISG.

Confidentiality

All information received and work performed will be treated as fully confidential and will not be disclosed to any third party without prior written consent from Roger and SCI/ ISG.

BGAI and its employees and associates will be bound by the appropriate non-disclosure agreement between SCI and Roger, and will sign a letter to that effect.

Material obtained from Roger will not be shared directly with SCI or ISG. BGAI will not remove any programs or program documentation from Roger premises without written Roger authorization, nor provide detailed descriptions of any of these items to SCI or ISG.

Costs and Payments

The work will be performed on a time and expense basis. The following are the BGAI consultant fees:

Burton Grad	$2,500/day
John O'Sullivan	$1,500/day
Programmer	$1,000/day

Based on the information available to us at this time, we estimate that the project will require about four to five days for O'Sullivan, one-two days of the selected programmer and approximately two days for Grad. Therefore, we expect that the consulting fees for BGAI should not exceed $15,000.

In addition, BGAI will be reimbursed for all authorized out of pocket expenses, including travel, accommodations, phone/fax, express delivery, etc. The expenses will include the travel required for O'Sullivan to Dusseldorf from the U.K. and for the programmer to Dusseldorf. Grad does not currently plan to visit the seller site nor SCI/ISG headquarters. Therefore, we estimate that the expenses will not exceed $2,000.

Payment is due within 15 days of SCI receiving an invoice from BGAI.

If the above project description is satisfactory, please sign below to authorize BGAI initiating this due diligence project.

Sincerely,

Burton Grad

BG:3676

cc: Dennis Byrnes
Pat Davis
Randy Harvey
Brad Sharp

Accepted for Sterling Commerce, Inc.

_____
signature

_____
title

_____
date

JOHN O'SULLIVAN BSc FBCS CEng FCMA

Thames Communications

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

John O'Sullivan is Managing Director of Thames Communications, an independent London based consultancy in Telecommunications and Information Systems strategy and business development. Thames Communications is particularly focused on assisting Telecoms and IT companies to develop their European and global business strategies.

Formerly, he was Director Information Technology at BT, responsible for IS strategy, policies and plans, relating the exploitation of IT to achieve business benefits. He was then seconded to the UK Department of Trade and Industry as Industrial Advisor Telecoms, with particular responsibility for developing and promoting UK strengths in telecoms software.

Before that, he spent over 20 years in Information Systems at British Aerospace, with other responsibilities for Facilities, Business Planning and Human Resources, becoming Personnel and Resources Director at BAe Military Aircraft Ltd.

John is a Council Member of the IT Industry Training Organisation, an Advisory Director of the European Software Institute (in Bilbao), Chairman of the Real Time Club, and a member of PITCOM (Parliamentary IT Committee). Previously, he was Chairman of STARTS (UK industry programme for software process improvement), Vice-Chairman of ETIS (European Telcos IS association), and Council Member of EURIM (a Parliamentary briefing group for European IS matters).

Recent projects have included:

- Informix Software - Business development strategy for European/Global telecoms, and Segment Manager for Data Warehousing in Telecoms
- Opta Consulting - Business Development in Europe
- BT - Entering a new business area
- Thames Valley University - IT strategy, Managing ITT, selection and contracting, Bus devel.
- LondonLink - Project Director of a CBI initiative to create an advanced communications service, involving a major ITT
- ITITO - Study for D/EE into UK infrastructure for IS skills, and creation of *Alliance for Information Systems Skills*
- DTI - Led a £1bn telecoms development project in central China
- Legal & Trade - Interim IT Director, fixing serious supplier and organisation issues

JOHN O'SULLIVAN BSc FBCS CEng FCMA

119 The Avenue Sunbury on Thames Middlesex TW16 5EQ
Tel/Fax 01932 761471 Mobile 0850 706246

Experienced Director with proven track record in very large scale multi-function management: Strategic Planning, IT, Personnel, Facilties. Telecoms and Aerospace industries, with DTI exposure. Planned and managed major change-management programmes. Led industry analysis, national policy and major international business development for UK Telecoms.

Integrating strategic planning, leading teams in business analysis, formulating business plans, implementing major organisational change and cost reduction.

Directing Corporate IT Strategies; Applications, data and technical architectures and operational strategy; Controlling Group-wide large scale systems development, operations and exploitation of business benefits.

Directing the Human Resources function across a multi-site, multi-skilled company, with overseas operations. Executive resource development, workforce rebalancing, employee communications.

Planning, budgeting and controlling extensive property development, facilities, capital investment and all support services.

Understanding of political and public policy processes; public affairs skills.

Internal and external communications, publications, presentations, TV.

QUALIFICATIONS

BSc	Mathematics (Hons 2:1) University College London
FBCS	Fellow of British Computer Society
CEng	Chartered Engineer
FCMA	Fellow, Chartered Institute of Management Accountants

CAREER SUMMARY

1993-95	Industrial Advisor Telecoms	Dept of Trade & Industry
1993-95	Director Corporate Programmes & Infrastructure	BT
1990-93	Director Information Technology	BT
1987-90	Personnel and Resources Director	BAe Military Aircraft Ltd
1986-87	Resources Director	BAe Military Aircraft Div
1984-86	Executive Director Resources & Computing	BAe Weybridge Division
1974-84	Management Services Manager	British Aerospace Kingston
1972-74	Systems Manager	Hawker Siddeley Aviation Kingston
1969-71	Asst Systems Manager-Finance	Hawker Siddeley Aviation Kingston
1966-69	O&M Analyst, Technical Analyst	Hawker Siddeley Group

INDUSTRY BODIES * = current

STARTS	Chairman	UK Industry Programme for Software Process Improvement
ETIS	Vice-Chair	European Telcos IT (Brussels)
ITITO	* Council	Information Technology Industry Training Organisation
EURIM	Council	European Information Markets
ESI	* Advisory Bd	European Software Institute (Bilbao)
BCS	Vice-Chair	London and Kingston Branches
	* Vice-Chair	Real Time Club

PERSONAL British. Age 50. DoB 28/4/45. Married, 3 adult children.

Industrial Advisor Telecoms Dept of Trade & Industry Aug 93-May 95

Seconded by BT at Govt request to create national strategy to develop and promote telecoms software as a UK industrial strength.

Developed and published first ever analysis of Telecoms Software sub-sector

Led re-education in Telecoms of Govt export promotion machine

Produced UK Telecoms brochure and directory for worldwide export promotion use

Export promotion in Nordic area, India; led £1b consortium project in China

Launched UK industry programme for Software Process Improvement - STARTS

BT (British Telecom) Nov 90-May 95

World's fourth largest telecoms operator. £13bn turnover. 150,000 people. Ambitious customer service, product innovation, employee reduction, international expansion, all exploiting advanced technology.

Director Corporate Programmes and Infrastructure Apr 93-May 95

Additional responsibility for programme management of Corporate Research Programme. £55mpa. Defended and rebalanced programme

Director Information Technology Nov 90-Mar 93

Responsible for overall strategy for IT throughout BT, working with business Divisions to ensure business benefit, and with IT units providing services. £1b IT spend. 7000 IT staff.

Led business review to create Top 10 business-led applications strategy and applications architecture

Developed technical architecture with European and international collaboration

Drove open-systems strategy and software engineering thrust

Introduced IT planning process, linked to Corporate Strategy/Planning

Led office systems programme in emotional environment, inter-operating numerous disparate systems, and introducing next-generation open-systems facilities

Rationalised PC hardware and software procurement installation and service

Established real IT protection: Security/Disaster/Data Protection

Additional responsibility (June 92) for Corporate Architecture and Standards Programme. £20mpa. Reduced and rebalanced spend.

Obtained ISO 9001 certification for IT Unit at first attempt

BRITISH AEROSPACE MILITARY AIRCRAFT LTD **1966-90**
£3b revenue. 30000 employees. 8 major UK sites. International operations.

Personnel and Resources Director **1987-90**
Accountable at Board level for: business planning and operations strategy; HR function; facilities development / capital investment; IT function.3700 staff.

Planned and led strategic change, resulting in savings of £300m over 6 years through site closures, rationalisation, restructuring, personnal reduction and relocation, leading to re-organisation of the business as subsidiary company

Led business planning processes including mission statement; product strategies; technology, facilities, IT, manpower plans; communicated Plan to all levels

Directed trade union negotiations with far-reaching working practice changes

Initiated and managed capital investment programme of £60mpa, enhancing and modernising sites, buildings and facilities, with appraisal and audit

Sustained and led long-run total integrated applications development programme on a Corporate basis, and steered implementation. IT spend £73mpa, 600 staff.

Resources Director Military Aircraft Division **1986-87**

Completed Weybridge plant closure with transfer of assets from 1.5m sq ft and release of 90 acres for property redevelopment

Consolidated computer centres, switched suppliers, led top-level supplier negotiations on product requirements, prices, and leases

Executive Director Resources & Computing, Weybridge Div **1984-86**

Established the Facilities and IT strategies of new Division of 7 sites with 5 computer centres.

Formulated "The Way Ahead", the first BAe integrated Divisional Plan

Planned and implemented the amalgamation of two major plants

Led the planning of Weybridge closure, with innovative programme of staff redeployment and job creation, to achieve undisrupted relocation of work

Management Services Manager, Kingston **1974-84**

Developed and implemented comprehensive range of advanced aeronautical, manufacturing, financial and commercial systems

Managed the growth of one of the largest UK computer centres: IBM, ICL and DEC

Specified and introduced new telecoms network.

Staff career development from 50-125, pioneering grading and salary structure

Led Divisional Efficiency Improvement Campaign, eliminating 300 jobs.

Systems Manager Hawker Siddeley Aviation, Kingston **1972-74**
Asst Systems Manager-Finance **1969-71**
Technical Analyst / O&M Analyst **1966-69**

o.tel.o
Christoph Weber
27/2/98

Mr. Burton Grad
Fax 001/ 914631 1164

Some questions from John O'Sullivan

Dear Burton,

I wanted to give some answers to John via Fax but I can't reach him.
Can you please transmit the following page to him.

Thanks

with the best regards

C. Weber

o.tel.o

Fax 001 01932 761471

Christof Weber
27/02/1998

TO: John O'Sullivan
Thames Communications

Copy: Klaus Spiegelberg

faxed to John 1/27

From: Christof Weber
o.tel.o Düsseldorf

1 page only

Dear John,

here are the answers to your questions regarding Tiger Requirement 270 for Braun

1. The modified version was delivered on Friday 20th to the customer
2. The modified version was installed by the customer
3. We have got no feedback until today
4. There was a fault and also some new requirements.

With best regards

L. Weber

GESAMT SEITEN 02

FAX

John O'Sullivan BSc FBCS CEng FCMA

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

TO:

Burton Grad
Burton Grad Associates, Inc
New York

001 914 631 1164

1 + pages

27th February 1998

Project Roger

Thank you for your faxes dated 23rd and 27th February concerning asset valuation. I look forward to working on this part of the assignment.

In the meantime, I now have the following additional information on requirement 270.

The modification was delivered to the customer last Friday, 20th February. It has been installed, but there is no customer feedback yet. The requirement was both a fault fix and new functionality.

JOHN O'SULLIVAN

FAX

John O'Sullivan BSc FBCS CEng FCMA

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+44 (0)850 706246 Mobile
101642.2113@compuserve.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

TO:

Burton Grad
Burton Grad Associates, Inc
New York

001 914 631 1164

1 + 1 pages

26th February 1998

Project Roger

I regret there was an error in the figure shown for the US dollar conversion of the expenses subtotal line in my recent invoice. The final value was however correct.

I attach the corrected invoice, and will mail a copy as well. (The incorrect version had already been mailed yesterday.)

The final version of the Report was received by Fedex yesterday.

My apologies for the invoice error.

JOHN O'SULLIVAN

John O'Sullivan BSc FBCS CEng FCMA

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+44 850 706246 Mobile
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johnosullivan@msn.com

119 The Avenue
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Middlesex TW16 5EQ
UNITED KINGDOM

Burton Grad
President
Burton Grad Associates, Inc.
235 Martling Avenue
Tarrytown
New York 10591
USA

Invoice Number 218

Customer Code

VAT Reg No 674 0050 58

24th February 1998

INVOICE

To: Professional fees for Technical Due Diligence concerning acquisition of o-tel-o EDI software unit by Sterling Commerce Inc:

During Jan	Review of materials, update checklist, recruit technical programmer, arrange logistics, say 1 day	
25-27 Jan	Travel and visit Dusseldorf	2 days
29 Jan-2 Feb	Report writing, say	2 days

Total 5 man days at agreed rate of $1500 per day $ 7500.00

John O'Sullivan's air fare		£	378.30	
Car Parking at Heathrow		£	40.00	
Services of Peter Clayton		£	500.00	
Peter Clayton's air fare		£	552.30	
Hotel bill for both	DM	957.70 *	330.73	
Car Hire	DM	620.72 *	215.98	
Evening Meal-Sun-2	DM	155.00 *	53.92	
Evening Meal-Mon-1	DM	35.00 *	12.17	
Telephone call to US	DM	226.00 *	78.12	
Car Park at airport	DM	5.00	1.74	
Sub Total Expenses			2163.26 **	3555.75

(*converted to sterling at credit card rates)
(**converted at $1.6437, closing bid spot at 23rd Feb)

TOTAL **$ 11055.75**

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 24, 1998

To: Dennis Byrnes

Copy: Pat Davis
Randy Harvey

From: Burton Grad

Subject: Roger Invoice

Enclosed is our invoice for the Roger due diligence project. It is considerably higher than we estimated ($17,000), primarily because of the extra time I had put into the project (4.5 days versus planned 2 days) and higher expenses because we had to use a non-German programmer.

This turned out to be more difficult than any of us expected, partly because of the TeleTiger/HPC situation and partly because of the late availability of the key legal documents. Having all materials in German and the ongoing management transition at Roger also slowed things down, requiring multiple telephone calls trying to reach key people.

Please pay this quickly if you can so that I can pay O'Sullivan and Clayton.

Enclosure
3748

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129
(914) 631-1164 FAX

Sterling Commerce, Inc.
4600 Lakehurst Court
Dublin, OH 43017-0760

Invoice #2871

February 24, 1998

Attention: Dennis Byrnes
cc: Randy Harvey
Pat Davis

Project #: 263-6

INVOICE

Project: Roger Due Diligence

***Consulting Services*:**			
Burton Grad	4.5 days @ $2,500/day		$11,250.00
John O'Sullivan	5.0 days @ $1,500/day		7,500.00
Peter Clayton	1.0 day @ $822/day		822.00
		TOTAL FEES	$19,572.00
Expenses Incurred:			
1/25-1/27/98 Travel from London to Dusseldorf			
John O'Sullivan:			
Airfare	621.81		
Parking	68.66		
Hotel (2 nights)	362.41		
Car Rental	355.01		
Meals	64.32		
Telephone	128.41		1,600.62
1/25-1/26/98 Travel from Edinburgh to Dusseldorf			
Peter Clayton:			
Airfare	907.82		
Hotel (1 night)	181.21		
Meals	44.31		1,133.34
BGAI Expenses:			
Telephone and fax			439.60
		TOTAL EXPENSES	3,173.56
		TOTAL INVOICE	$22,745.56

Invoice is Due and Payable Within 15 Days of Receipt

FAX

THAMES COMMUNICATIONS
Thames Communications
119 The Avenue
Sunbury-on-Thames
Middlesex TW16 5EQ
Tel/Fax: 01932 761471
Mobile: 0850 706246
101642.2113@compuserve.com

TO BURTON GRAD

001-914-631-1164

24 Feb 98 1 + 2 pages

Burt

Fax now working.

Invoice Herewith.

Attachments later

To: Burt Grad 2 pages

John O'Sullivan BSc FBCS CEng FCMA

+44 1932 761471 Tel/Fax
+44 850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

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UNITED KINGDOM

Burton Grad
President
Burton Grad Associates, Inc.
235 Martling Avenue
Tarrytown
New York 10591
USA

Invoice Number 218

Customer Code

VAT Reg No 674 0050 58

24th February 1998

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29 Jan-2 Feb	Report writing, say	2 days

Total 5 man days at agreed rate of $1500 per day $ 7500.00

John O'Sullivan's air fare	£	378.30
Car Parking at Heathrow	£	40.00
Services of Peter Clayton	£	500.00
Peter Clayton's air fare	£	552.30

Hotel bill for both	DM	957.70	*	330.73
Car Hire	DM	620.72	*	215.98
Evening Meal-Sun-2	DM	155.00	*	53.92
Evening Meal-Mon-1	DM	35.00	*	12.17
Telephone call to US	DM	226.00	*	78.12
Car Park at airport	DM	5.00		1.74

(*converted to sterling at credit card rates)

Sub Total Expenses 2163.26 ** 3355.75

(**converted at $1.6437, closing bid spot at 23rd Feb)

TOTAL $ **11055.75**

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129
(914) 631-1164 FAX

Confidential

Date: February 20, 1998

To: Dennis Byrnes

Copy: Pat Davis
Randy Harvey
John O'Sullivan
Brad Sharp

From: Burton Grad

Subject: Due Diligence for Roger

As you requested, Burton Grad Associates, Inc. (BGAI) has performed a technical due diligence study of Roger, a German organization whose assets Sterling Commerce's Interface Systems Group is considering acquiring.

The primary purpose of this independent technical due diligence study is to ensure that the technical representations made by Roger to SCI/ISG are accurate and complete. A second objective is to determine if there are other product or development issues which would impact the estimates of current value or future profits.

The project was managed by Burton Grad, president of BGAI, with John O'Sullivan, a BGAI Associate, as the on-site technical consultant on this project. O'Sullivan was assisted by Peter Clayton who performed the on-site code review of Tiger.

All other areas of due diligence (legal, financial, human resources, marketing, sales, support, customer satisfaction and administration) were covered separately by SCI/ISG using designated consultants or Sterling personnel and were not part of the BGAI assignment.

A professional profile for Burton Grad is enclosed as Attachment A-1. John O'Sullivan's profile is enclosed as Attachment A-2. Peter Clayton's profile is Attachment A-3.

BGAI has followed the work plan described below:

1. BGAI requested certain information from Roger for the technical areas to be examined. The request list was used with Roger after the content was reviewed and additional questions included from SCI/ISG (see Attachment B).

2. BGAI conducted on-site interviews with other key management and technical personnel from Roger and examined relevant Roger materials for the assigned technical areas.

3. BGAI then analyzed the Roger materials and interview notes to identify any areas of concern and potential problems in the assigned technical areas as well as to provide a response to each of the questions asked in Attachment B.

4. BGAI has prepared this report summarizing its findings without disclosing Roger-identified confidential materials to SCI or ISG.

Due Diligence Process

After detailed preparation, John O'Sullivan and Peter Clayton met on site with various management and technical personnel at Roger's principal location for the products which may be acquired in Dusseldorf, Germany (see Attachment C). The first day was devoted to a detailed code review of Tiger by Clayton and detailed interviews following the Due Diligence Checklist (Attachment B) by O'Sullivan.

The second day on-site only involved O'Sullivan who completed the Due Diligence Checklist and obtained all the information he could regarding TeleTiger, a product under development by a third party (HPC) which is located some distance from Dusseldorf. The code for TeleTiger is written in SAP's development language ADAP/4, with which we are not technically competent.

In addition, O'Sullivan has made follow-up calls to clarify information received and Grad has been in contact with Weber and Bar to obtain further information and representations regarding TeleTiger. Grad has also requested the SCI/ISG legal due diligence team to obtain specific confirmation regarding the various needed third party authorization licenses and the customer contracts regarding access to Tiger source code. As of the date of this report BGAI has not received any feedback from the legal due diligence team on these requests.

Technical Findings

John O'Sullivan's detailed due diligence report is enclosed as Attachment D; it is organized by the principal products and technologies and then by the question areas specified in Attachment B. There were three principal product areas examined: Tiger, Communications Utilities and TeleTiger.

Our principal technical findings are:

1. The Roger EDI development activities are performed by a small but professional software team, working to good standards.

2. Apart from the two items mentioned in Attachment D, Section #6, we found no obvious use of non-original code. Legal due diligence must check the proprietary notices listed in our request letter to assure that appropriate licenses are in place for the third party programs being used in Tiger. Attachment E is Clayton's Code Review Report primarily on Tiger.

3. The product strategy for Tiger in relation to further development, Year 2000 and transition to GENTRAN needs to be resolved. We believe that these pose serious technical issues.

4. The contractual arrangements for all the reseller Communications Utilities products must be checked by legal due diligence to ensure appropriate authorizations and transferability (if desired by SCI/ISG).

5. As to TeleTiger, a letter from HCP has been received, certifying that there is no use of unlicensed code and stating that proper third party licenses have been signed, particularly with SAP (see Attachment G).

6. The TeleTiger fixes need to be checked through QA (see Liersch summary in Attachment H). The current contract apparently provides only a 60 day correction period after Roger accepts delivery. This probably does not provide sufficient time for the BMW beta test to be completed. Some type of extension of the HPC "warranty" is essential. Attachment F shows Randy Harvey's notes from a detailed meeting he had on various TeleTiger technical and marketing issues.

7. Roger has very limited ADAP/4 and SAP skills; it is not in a position to either maintain or extend TeleTiger to meet even the German market needs, much less the requirements for other European and US markets.

8. The investment in the product launch, product development, marketing and personnel for the new product, TeleTiger, needs to be addressed and staffed effectively so that the market opportunity can be exploited in a timely manner.

Conclusions

1. There are significant technical risks which need to be analyzed by the legal due diligence team regarding: third party code used by or embedded in Tiger; licenses for remarketed Communications Utilities; and SAP and possibly other licenses for TeleTiger.

2. The exact contractual relationship with HPC is crucial to SCI/ISG's ability to distribute, support, maintain and enhance TeleTiger. This requires not just careful legal review, but also satisfactory business relations with HPC. Alternatively, SCI/ISG may be able to use Juergen Liersch for this function, but this is uncertain and speculative.

3. Without regard to the economics of the acquisition, BGAI has not identified any specific technical reasons why SCI/ISG should not proceed with the proposed acquisition of these Roger assets.

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 24, 1998

To: Randy Harvey

From: Burton Grad

Subject: Roger Due Diligence

We have now sent you our "final" due diligence report. It does not answer all of the questions that BGAI identified during the study.

Our letter to Pat Davis on 2/5/98 lists the 30 open issues as of that date and our letter to you and Pat Davis on 2/10/98 identifies where resolution had been achieved and who had responsibility for pursuing remaining items.

Since 2/10/98, the following items have been resolved or understood by SCI/ISG management (reference to 2/5/98 letter): #4, #9, #14, #15, #22, #27, #28, #29, #30.

We have not yet seen the legal due diligence report nor been able to get any feedback from Roger which still leaves open: #1, #2, #3, #6, #11, #21, #23, #24, #25, #26. Unless explicitly requested, we do not plan to pursue these open items any further. If they are important to your acquisition decision, then we will review them for you.

We are ready to proceed with the valuation study. Is this a go? If so, we will need access to Ed Waser (for financial history and projections, with assumptions) and to you for the marketing strategy for the products and for the new TeleTiger technologies.

FAX

COMMUNICATIONS
THAMES
Thames Communications
119 The Avenue
Sunbury-on-Thames
Middlesex TW16 3EQ
Tel/Fax: 01932 761471
Mobile: 0850 706246
101642.2113@compuserve.com

TO BURTON GRAD

001-914-631-1164

24 Feb 98 (No. 2) ~~1+2 pages~~

1+8 pages

But

Fax now working.

Invoice Herewith.

Attachments later

NOW WITH RECEIPTS ATTACHED

John O'Sullivan BSc FBCS CEng FCMA

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+44 850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

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UNITED KINGDOM

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Total 5 man days at agreed rate of $1500 per day $ 7500.00

John O'Sullivan's air fare			£	378.30
Car Parking at Heathrow			£	40.00
Services of Peter Clayton			£	500.00
Peter Clayton's air fare			£	552.30
Hotel bill for both	DM	957.70	*	330.73
Car Hire	DM	620.72	*	215.98
Evening Meal-Sun-2	DM	155.00	*	53.92
Evening Meal-Mon-1	DM	35.00	*	12.17
Telephone call to US	DM	226.00	*	78.12
Car Park at airport	DM	5.00		1.74

(*converted to sterling at credit card rates)

Sub Total Expenses 2163.26 ** 3355.75

(**converted at $1.6437, closing bid spot at 23rd Feb)

TOTAL $ **11055.75**

07

PASSENGER TICKET AND BAGGAGE CHECK

SUBJECT TO CONDITIONS OF CONTRACT

ISSUED BY **BRITISH AIRWAYS LONDON**

PASSENGER RECEIPT 1OF 1

25JAN98 91498621 SITI GB

OSULLIVAN/J MR

NOT VALID FOR

TRANSPORTATION

THIS IS YOUR RECEIPT

OSULLIVAN/J MR

LONDON

BA 940 C 25JAN

DUSSELDORF

BA 963 C 27JAN

25JAN98LON BA(EH)DUS M307.35BA(EH)LON M307.35NUC614.70 END ROE0.5889

GBP	362.00
GB	10.00
DE	2.60
RA	3.70
GBP	378.30

FORM OF PAYMENT AG791496414. CC

CA54355600009440l4-0Z5333/0499

2500309705793 0 125 2106224665 2

LONDON

NOT VALID FOR TRAVEL

0 125 2106224665 2

PAYMENT RECEIPT

Credit Card Number | Expiry Date | Internal Numbers

Park Id | Pay Id | Date | Payment Time | Fee

£0848.00 005632 CREDIT CARD

PINK ELEPHANT PARKING

VAT No. 625 7373 28

VAT at standard rate

PAYMENT RECEIPT

Credit Card Number | Expiry Date | Internal Numbers

5433668888944014 04/99 £0848.00

Park Id | Pay Id | Date | Payment Time | Fee

PINK ELEPHANT PARKING

VAT No. 625 7373 28

VAT at standard rate

Opta

Opta Resources
Cockayne House
126/128 Crockhamwell Rd
Woodley
Reading RG5 3JH

Tel: 0118 969 5600
Fax: 0118 969 1412

Invoice No: R 4310
Invoice Date: 30/ 1/98
VAT Number:563 0298 43

John O'Sullivan
119 The Avenue
Sunbury On Thames
Middlesex
TW16 5EQ

Services provided to:
John O'Sullivan
119 The Avenue
Sunbury On Thames
Middlesex
TW16 5EQ

Your Order No:
Our Order No: 900

Desc: re: Peter Clayton

Customer Code: SULLIVAN
Sls Ord Date: 30/ 1/98

ITEM	QUANT.	PRICE £	TOTAL
Ref: Burton Grad Associates			
Supply of Senior Technical Programmer for Due Diligence Investigation in Dusseldorf on 26th January 1998:			
Peter Clayton: Fee	1.00	500.00	500.00
Peter Clayton: Flight	1.00	552.30	552.30

Payment is Due within 14 days.

Payment may be made Via BACS To Barclays Bank PLC, Broadgate Business Centre, 155 Bishopsgate, London EC2M 3XA, Sort Code 20-77-67, Account No. 00524573

VAT Rate	Net Amount	VAT Amount
1 17.50%	1052.30	184.15
%		
%		
%		

NET:	1052.30
VAT:	184.15
TOTAL: £	1236.45

Opta Resources is a trading division of Opta Resources Limited. Registered Office: 5 Bridge Road Business Park, Bridge Road, Haywards Heath, West Sussex, RH16 1TX. Registered in England : No. 2523381

ISSUED BY **BRITISH AIRWAYS LONDON**

PASSENGER TICKET AND BAGGAGE CHECK

PASSENGER COUPON

ORIGINATING STATION: S111

ROUTING REFERENCE: SR2054

ISSUED IN EXCHANGE FOR:

DATE AND PLACE OF ISSUE: [illegible] 3 [illegible] BRITISH AIRWAYS GLASGOW UK

NAME OF PASSENGER: [illegible]

NOT TRANSFERABLE

NO	NOT GOOD FOR PASSAGE		CARRIER	FLIGHT		DATE	TIME	STATUS	FARE BASIS		NOT VALID BEFORE			ALLOW
	FROM VOID			VOID		VOID	VOID		VOID	VOID	VOID	VO	D	
	TO VOID			VOID		VOID	VOID		VOID	VOID	VOID	VO	D	
	FROM EDINBURGH	EDI	BA	1780	C	25JAN	1130	OK	C					OK
	TO DUSSELDORF	DUS	BA	1783	C	26JAN	1935	OK	C					OK
	FROM GLASGOW	GLA												

GBP 536.00

GB	10.00
DE	2.60
RA	3.70
GBP	552.30

FARE CALCULATION: 25JAN98EDI BA(EH)DUS M455.08BA(EH)GLA M455.08NUC910.16 NU RUE0.5889

CNS ATTACHE CODE FORM SERIAL NUMBER CK

⊙ 125 4476661053 4 ⊙

FORM OF PAYMENT: C CA5473 [illegible] 0017-023 0 [illegible] 08 B. AGT91 [illegible] 1923

ORIGINAL ISSUE

SIGNATURE IN [illegible]

Das Privathotel
HOTEL EDEN
ZENTRAL ZUR KÖNIGSALLEE

Mr. John O'Sullivan
119 The Avenue
Middlesex
GB Sunbury on Thames TW16 5EQ

Page: 1

HOTEL EDEN GMBH
ADERSSTRASSE 29-31
D-40215 DÜSSELDORF
POSTFACH 20 03 04
D-40101 DÜSSELDORF
FON 0211-38 97-0
FAX 0211-38 97-777

Hotel Eden GmbH, Düsseldorf, 27.01.98 / MC

Room No: 208 Arr.: 25.01.98 Dep.: 27.01.98 Cl-no.:

I N V O I C E 96859 for:

Text	Date	Debit	Credit
Room Charge	25.01.	273.00	
Room Charge 212 Mr. Clayton	25.01.	273.00	
Copy	25.01.	14.40	
Pay-Tv 212 Mr. Clayton	25.01.	19.50	
Room Charge	26.01.	273.00	
Minibar	26.01.	4.50	
Telephon	26.01.	11.20	
Telephon	26.01.	85.60	
Auslagen Rest. Chamäleon	26.01.	3.50	
Euro/Mastercard -> /	27.01.		957.70
Total		957.70	957.70
Balance			0.00 DM

Service and tax included	954.20 DM	
Tax free	3.50 DM	
Total without tax	833.24 DM	
VAT 15.00%	124.46 DM	(954.20)

We thank you for your visit and hope to see you and your guests at the Best Western Hotel Eden again.

Best Western

Hertz **Rechnung**
Duplikat

Rechnungsnummer 298847931
Datum 28/01/98

HERTZ AUTOVERMIETUNG GMBH
KUNDENBUCHHALTUNG
GINNHEIMER STR. 4
65760 ESCHBORN
TEL: 06196/937-0 FAX: 937-278 + 176

Herrn/Frau/Firma

O'SULLIVAN JOHN
119 THE AVENUE
SUNBURY ON THAMES
MIDDX TW16 5EQ
UNITED KINGDOM

Mieter O'SULLIVAN JOHN

Konto-Nr. 5435 5600 0094 4014
Reservierungs-Nr. A2511B6BE69
CDP-Nr. 709100
TACO/IATA Nr.
Referenz-Nr. 0499
Voucher-Nr.

Vielen Dank für Ihre Wagenanmietung

Wagentyp	MONDEO AUTOMATIK	3 Tag(e) à	266.85
Amtl. Kennzeichen	WI-PR386	zusätzl. Stunde(n) à	
Wagengruppe berechnet N	gefahren N	Woche(n) à	
Tarif-Code	FTG	zusätzl. Tag(e) à	
Tarif-Art	FREQUENT TRAVELLER LEISURE	Kilometer à	
Mietvertrag Nr.	298847931	**Zwischensumme**	266.85
		TARIF NICHT RABATTFAEHIG	
		Zwischensumme	266.85
Anmietung am	25/01/98 16:13	Anlieferungsgebühr	
in	DUESSELDORF 50	Abholgebühr	
Rückgabe am	27/01/98 18:08	Rückführgebühr	
in	DUESSELDORF 50	Haftungsbeschränkung (CDW)	148.71
KM-Stand aus	12 ein 114	Insassenunfallvers. (PAI)	
KM im Grundpreis enthalten		Diebstahlschutz (TP)	49.56
KM gefahren	102	Service-Pauschale	46.51
		Betankungsservice (GAS)	28.13
		Sonstiges	
		Mehrwertsteuer 15.00%	80.96
		Gesamtbetrag	620.72
		Gutschrift	
		Anzahlung	
		Voucher-Wert	
		Betrag bezahlt	
		Gesamtgutschrift	
		Rückzahlung	
		Summe DM	620.72

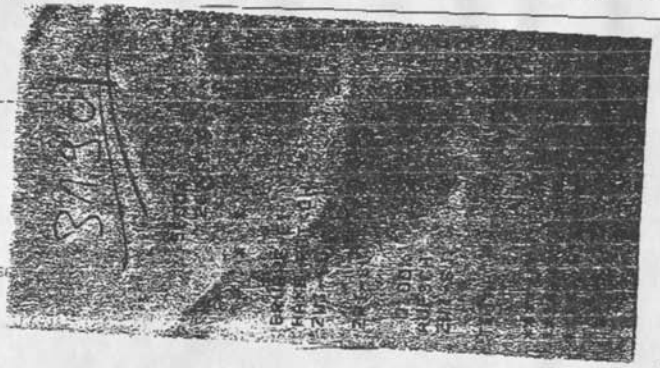
UST-IDNR: DE114164028

Die Zahlung ist fällig bei Erhalt der Rechnung (Bitte Rechnungsnummer angeben)

RECHNUNG FUER IHRE UNTERLAGEN
BITTE KEINE ZAHLUNG VORNEHMEN
BELASTUNG ERFOLGT DURCH EUROCARD

INVOICE FOR YOUR INFORMATION ONLY
THIS IS NOT A REQUEST FOR PAYMMENT
YOU WILL BE BILLED BY EUROCARD
THANK YOU FOR RENTING HERTZ

BELEG-NR 9801005514087 CC *579



EUROCARD

VERTRAGS NR: 1527179466

TRANSAKTIONS NR.:0607

Gasthaus Brauerei Zum Schluessel
Bolker Str. 43-47

40213 Duesseldorf
BELEG-NR.: 1524

TERMINAL NR.: 50 11513

KARTEN NR. VERFALLDATUM:9809
5435 5600 0094 4014

KAUF-GASTRONOMIE
BETRAG: DM 35.00

TIP/EXTRA: .....

GESAMTBETRAG: .....

Bitte entnehmen Sie obenstehende Werte
GENEHMIGUNGSNR. (T): 016242

DATUM: 26/01/98 ZEIT: 22:40

Vielen Dank fuer Ihren Besuch
Bitte bewahren Sie den Beleg auf

UNTERSCHRIFT .....

Dorint
HOTEL DÜSSELDORF
Ganz wie persönlich

Stresemannplatz 1 · D-40210 Düsseldorf
Telefon 02 11/3554-0 · Telefax 02 11/3541 20

Wir danken für Ihren Besuch.

Erläuterungen s. Rückseite

Erläuterungen s. Rückseite

Erläuterung

Service und Mehrwertsteuer inklusive.

Unterschrift des Gastes / Bevollmächtigten

druckte Endbetrage.

QUITTUNG
59#
64 No.
98-01-▶1 DT
@26-18:21EX
98-01-▶1 DT
@26-17:07EN
C....5.00DM
...10.00EN
....5.00EX
.....5.00DM
INCL. MWST.

Quittung Quittung Quittung Quittung Quittung Quittung

John O'Sullivan BSc FBCS CEng FCMA

+44 1932 761471 Tel/Fax
+44 850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

Burton Grad
President
Burton Grad Associates, Inc.
235 Martling Avenue
Tarrytown
New York 10591
USA

Invoice Number 218

Customer Code

VAT Reg No 674 0050 58

24th February 1998

INVOICE

To: Professional fees for Technical Due Diligence concerning acquisition of o-tel-o EDI software unit by Sterling Commerce Inc:

During Jan	Review of materials, update checklist, recruit technical programmer, arrange logistics, say 1 day	
25-27 Jan	Travel and visit Dusseldorf	2 days
29 Jan-2 Feb	Report writing, say	2 days

Total 5 man days at agreed rate of $1500 per day $ 7500.00

John O'Sullivan's air fare			£	378.30	
Car Parking at Heathrow			£	40.00	
Services of Peter Clayton			£	500.00	
Peter Clayton's air fare			£	552.30	
Hotel bill for both	DM	957.70	*	330.73	
Car Hire	DM	620.72	*	215.98	
Evening Meal-Sun-2	DM	155.00	*	53.92	
Evening Meal-Mon-1	DM	35.00	*	12.17	
Telephone call to US	DM	226.00	*	78.12	
Car Park at airport	DM	5.00		1.74	

(*converted to sterling at credit card rates)

Sub Total Expenses 2163.26 ** 3355.75

(**converted at $1.6437, closing bid spot at 23rd Feb)

TOTAL **$ 11055.75**

97

PASSENGER TICKET AND BAGGAGE CHECK

SUBJECT TO CONDITIONS OF CONTRACT

ISSUED BY **BRITISH AIRWAYS LONDON**

PASSENGER RECEIPT 1 OF 1

DATE OF ISSUE 25JAN98 ISS OFF CODE 91498621 ISS SITI ISO GB

ISS AGT ID QLKSS PLACE OF ISSUE /HEATHROW

NAME OF PASSENGER (NOT TRANSFERABLE) OSULLIVAN/J MR

FARE BASIS C TOUR CODE F.I.

FROM **NOT VALID FOR** CARRIER/FLIGHT CLASS/DATE TIME REQ. INVALID BEFORE INVALID AFTER

TO **TRANSPORTATION* REVALIDATION **THIS IS YOUR RECEIPT**

ENDORSEMENTS/RESTRICTIONS

PNR CODE SC7JBY /BA

ORIGINAL ISSUE ISSUED IN EXCHANGE FOR CONJ. TKT. NO.

FARE CALCULATION

25JAN98LON BA(EH)DUS M307.35BA(EH)LON M307.35NUC614.70 END ROE0.5889

FORM OF PAYMENT

AGT91496414. CC

CA5435560000944014-025533/0499

FARE	GBP	362.00
TAX	GB	10.00
TAX	DE	2.60
TAX	RA	3.70
TOTAL	GBP	378.30

EQUIV. FARE PAID

PCS CK. WT. UNCK. WT. SEQ. NO. ALLOW PCS CK. WT. UNCK. WT.

****

12500309705793

0 125 2106224665 2

DO NOT MARK OR WRITE IN THIS WHITE BREAKAWAY

PASSENGER COUPON

NAME OF PASSENGER OSULLIVAN/J MR

FROM LONDON

TO C BA 940 C 25JAN

DUSSELDORF

C BA 943 C 27JAN

CARRIER/FLIGHT CLASS/DATE TIME

GATE BOARD TIME SEAT SMOKE

ADDITIONAL SEAT INFORMATION LONDON

PCS CK. WT. UNCK. WT. SEQ. NO. PCS CK. WT. UNCK. WT.

****

BAGGAGE ID NR. NOT VALID FOR TRAVEL

DOCUMENT NUMBER 0 125 2106224665 2 CK

05.98 Printed by Bartsch International, Munich-Ottobrunn - Germany - T 2118 - 2nd SNL 0800a/S

PAYMENT RECEIPT

Credit Card Number | Expiry Date | Internal Numbers

72 27/01/98 20:07 £0040.00 005032 CREDIT CARD: 5435560000944014 04/99 £0040.00 -0000001706

Park Id | Pay Id | Date | Payment Time | Fee

PINK ELEPHANT PARKING

VAT No. 625 7373 28
VAT at standard rate

PAYMENT RECEIPT

Credit Card Number | Expiry Date | Internal Numbers

Park Id | Pay Id | Date | Payment Time | Fee

PINK ELEPHANT PARKING

VAT No. 625 7373 28
VAT at standard rate

Opta

Opta Resources
Cockayne House
126/128 Crockhamwell Rd
Woodley
Reading RG5 3JH

Tel: 0118 969 5600
Fax: 0118 969 1412

Invoice No: R 4310
Invoice Date: 30/ 1/98
VAT Number:563 0298 43

John O'Sullivan
119 The Avenue
Sunbury On Thames
Middlesex
TW16 5EQ

Services provided to:
John O'Sullivan
119 The Avenue
Sunbury On Thames
Middlesex
TW16 5EQ

Your Order No: Desc: re: Peter Clayton Customer Code: SULLIVAN
Our Order No: 900 Sls Ord Date: 30/ 1/98

ITEM	QUANT.	PRICE £	TOTAL
Ref: Burton Grad Associates			
Supply of Senior Technical Programmer for Due Diligence Investigation in Dusseldorf on 26th January 1998:			
Peter Clayton: Fee	1.00	500.00	500.00
Peter Clayton: Flight	1.00	552.30	552.30

Payment is Due within 14 days.

Payment may be made Via BACS To Barclays Bank PLC, Broadgate Business Centre, 155 Bishopsgate, London EC2M 3XA, Sort Code 20-77-67, Account No. 00524573

VAT Rate	Net Amount	VAT Amount
1 17.50%	1052.30	184.15
%		
%		
%		

NET:	1052.30
VAT:	184.15
TOTAL: £	1236.45

Opta Resources is a trading division of Opta Resources Limited. Registered Office: 5 Bridge Road Business Park, Bridge Road, Haywards Heath, West Sussex, RH16 1TX. Registered in England : No. 2523381

ISSUED BY **BRITISH AIRWAYS LONDON**

RESTRICTIONS/ENDORSEMENTS (CARBON)

PASSENGER TICKET AND BAGGAGE CHECK
SUBJECT TO CONDITIONS OF CONTRACT ON PASSENGER COUPON

PASSENGER COUPON

TOUR CODE

ORIGIN/DESTINATION: S111

BOOKING REFERENCE: SRZUSL

ISSUED IN EXCHANGE FOR

DATE AND PLACE OF ISSUE: 14 [illegible] 3 JAN 8 BRITISH AIRWAYS GLASGOW UK

NAME OF PASSENGER: CLAYTON/PA MR

NOT TRANSFERABLE

CONJUNCTION TICKETS

X/O	NOT GOOD FOR PASSAGE	CARRIER	FLIGHT	CLASS	DATE	TIME	STATUS	FARE BASIS	NOT VALID BEFORE	NOT VALID AFTER	ALLOW
FROM	VOID		VOID		VOID	VOID		VOID VOID	VOID	VO D	
TO	VOID		VOID		VOID	VOID		VOID VOID	VOID	VO D	
TO	EDINBURGH EDI	BA	1780	C	25JAN	1130	OK	C			BOK
TO	DUSSELDORF DUS	BA	1783	C	26JAN	1935	OK	C			BOK
TO	GLASGOW GLA										

BAGGAGE CHECKED UNCHECKED | PCS | WT | UNCK WT | PCS | WT | UNCK WT | PCS | WT | UNCK WT | PCS | WT | UNCK WT

FARE CALCULATION: 25JAN98EDI BA(EH)DUS M455.08BA(EH)GLA M455.08NUC910.16 NI ROE0.5889

FARE GBP	536.00
EQUIV. FARE PD.	
TAX GB	10.00
TAX DE	2.60
TAX RA	3.70
TOTAL GBP	552.30

CPN AIRLINE CODE FORM SERIAL NUMBER CK

⊙ 125 4476661053 4 ⊙

FORM OF PAYMENT: CC CA5473[illegible]614451[illegible]0017-023 [illegible]/08 98. AGT91[illegible]1923

ORIGINAL ISSUE

SIGNATURE OF

Das Privathotel
HOTEL EDEN
ZENTRAL ZUR KÖNIGSALLEE.

Mr. John O'Sullivan
119 The Avenue
Middlesex
GB Sunbury on Thames TW16 5EQ

HOTEL EDEN GMBH
ADERSSTRASSE 29-31
D-40215 DÜSSELDORF
POSTFACH 20 03 04
D-40101 DÜSSELDORF
FON 0211-38 97-0
FAX 0211-38 97-777

Hotel Eden GmbH, Düsseldorf, 27.01.98 / MC

Room No: 208 Arr.: 25.01.98 Dep.: 27.01.98 Cl-no.:

I N V O I C E 96859 for:

Text	Date	Debit	Credit
Room Charge	25.01.	273.00	
Room Charge 212 Mr. Clayton	25.01.	273.00	
Copy	25.01.	14.40	
Pay-Tv 212 Mr. Clayton	25.01.	19.50	
Room Charge	26.01.	273.00	
Minibar	26.01.	4.50	
Telephon	26.01.	11.20	
Telephon	26.01.	85.60	
Auslagen Rest. Chamäleon	26.01.	3.50	
Euro/Mastercard	27.01.		957.70
-> /			
Total		957.70	957.70
Balance			0.00 DM

Service and tax included	954.20 DM	
Tax free	3.50 DM	
Total without tax	833.24 DM	
VAT 15.00%	124.46 DM	(954.20)

We thank you for your visit and hope to see you and your guests at the Best Western Hotel Eden again.

Best Western

Hertz

Rechnung

Original

Rechnungsnummer 298847931
Datum 28/01/98

HERTZ AUTOVERMIETUNG GMBH
KUNDENBUCHHALTUNG
GINNHEIMER STR. 4
65760 ESCHBORN
TEL: 06196/937-0 FAX: 937-278 + 176

Herrn / Frau / Firma

O'SULLIVAN JOHN
119 THE AVENUE
SUNBURY ON THAMES
MIDDX TW16 5EQ
UNITED KINGDOM

Konto-Nr. 5435 5600 0094 4014
Reservierungs-Nr. A2511B6BE69
CDP-Nr. 709100
TACO / IATA Nr.
Referenz-Nr. 0499
Voucher-Nr.

Mieter O'SULLIVAN JOHN

Vielen Dank für Ihre Wagenanmietung

Wagentyp MONDEO AUTOMATIK J
Amtl. Kennzeichen WI-PR386
Wagengruppe berechnet N gefahren N
Tarif-Code FTG
Tarif-Art
FREQUENT TRAVELLER LEISURE
Mietvertrag Nr. 298847931

Anmietung am 25/01/98 16:13
in DUESSELDORF 50
Rückgabe am 27/01/98 18:08
in DUESSELDORF 50

KM-Stand aus 12 ein 114
KM im Grundpreis enthalten
KM gefahren 102

Tag(e)	à	266.85
zusätzl. Stunde(n)	à	
Woche(n)	à	
zusätzl. Tag(e)	à	
Kilometer	à	
Zwischensumme		266.85
TARIF NICHT RABATTFAEHIG		
Zwischensumme		266.85
Anlieferungsgebühr		
Abholgebühr		
Rückführgebühr		
Haftungsbeschränkung (CDW)		148.71
Insassenunfallvers. (PAI)		
Diebstahlschutz (TP)		49.56
Service-Pauschale		46.51
Betankungsservice (GAS)		28.13
Sonstiges		
Mehrwertsteuer	15.00%	80.96
Gesamtbetrag		620.72
Gutschrift		
Anzahlung		
Voucher-Wert		
Betrag bezahlt		
Gesamtgutschrift		
Rückzahlung		
Summe	DM	620.72

UST-IDNR: DE114164028

Die Zahlung ist fällig bei Erhalt der Rechnung (Bitte Rechnungsnummer angeben)

RECHNUNG FUER IHRE UNTERLAGEN
BITTE KEINE ZAHLUNG VORNEHMEN
BELASTUNG ERFOLGT DURCH EUROCARD

INVOICE FOR YOUR INFORMATION ONLY
THIS IS NOT A REQUEST FOR PAYMENT
YOU WILL BE BILLED BY EUROCARD
THANK YOU FOR RENTING HERTZ

BELEG-NR 980100551408T GC #579

Bei Scheckzahlung bitte abtrennen und beifügen

31,90

5600* 1 9
26.01.98

* * * * * * * *

BRUEHE-EI	4.80
HAXE-ROTKOHL	19.90
ZWI-SU	24.70
ZWI-SU	24.70
0.00% 24.70	
AUFSCH	0.00
ZWI-SU	24.70
TOTAL	24.70

7,20

****** VIELEN DANK *****
********* AUF *********
***** WIEDERSEHEN ******
(22:34)

Quittung Quittung Quittung Quittung Quittung Quittung

Erläuterungen s. Rückseite

QUITTUNG
59#
64 No.
98-01-▶1 DT
@26-18:21 EX
98-01-▶1 DT
@26-17:07 EN
C····5.00 DM
···10.00 EN
····5.00 EX
·····5.00 DM
INCL. MWST.

Erläuterungen s. Rückseite

Erläuterungen

EUROCARD

VERTRAGS NR: 152719666

TRANSAKTIONS NR.:0687

Gasthaus Brauerei Zum Schluessel
Bolker Str. 43-47

40213 Duesseldorf
BELEG-NR.: 1526

TERMINAL NR.: 58 11513

KARTEN NR. VERFALLDATUM:0499
5435 5600 0094 4014

KAUF-GASTRONOMIE
BETRAG: DM 35.00

TIP/EXTRA: .....

GESAMTBETRAG: .....

Bitte belasten Sie hiermit meine Karte
GENEHMIGUNGSNR. (1): 026248

DATUM: 26/01/98 ZEIT: 22:43

Vielen Dank fuer Ihren Besuch
Bitte bewahren Sie den Beleg auf

UNTERSCHRIFT:.....

Dorint®
HOTEL DÜSSELDORF
Eine Idee persönlicher

Stresemannplatz 1 · D-40210 Düsseldorf
Telefon 02 11/35 54-0 · Telefax 02 11/35 41 20

900* 25.01.98 1

1	CABERNET SAU		54.00	1
1	WACHTELSALAT		22.50	1
1	KARTOFFELSUP		8.50	1
1	RUMPSTEAK		30.50	1
1	ENTENBRUST		32.50	1
2	TASSE KAFFEE	3.50	7.00	1
	ZWI-SU		155.00	
15.00%	MWST 134.78	20.22	155.00	
	EUROCA	9#	155.00	
	TOTAL KELLN.	1#	155.00	

VIELEN DANK WIR FREUEN
UNS AUF IHREN NÄCHSTEN
BESUCH*********

Wir danken für Ihren Besuch.

Rechnung für Herrn/Frau	Service und Mehrwertsteuer inklusive.
Zimmer-Nr.	Unterschrift des Gastes/Bevollmächtigten

Zahlen Sie nur maschinengedruckte Endbeträge.

ESSER 03/97

John O'Sullivan BSc FBCS CEng FCMA

+44 1932 761471 Tel/Fax
+44 850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

Burton Grad
President
Burton Grad Associates, Inc.
235 Martling Avenue
Tarrytown
New York 10591
USA

Invoice Number 218

Customer Code

VAT Reg No 674 0050 58

24th February 1998

INVOICE

To: Professional fees for Technical Due Diligence concerning acquisition of o-tel-o EDI software unit by Sterling Commerce Inc:

During Jan	Review of materials, update checklist, recruit technical programmer, arrange logistics, say 1 day	
25-27 Jan	Travel and visit Dusseldorf	2 days
29 Jan-2 Feb	Report writing, say	2 days

Total 5 man days at agreed rate of $1500 per day $ 7500.00

John O'Sullivan's air fare			£	378.30
Car Parking at Heathrow			£	40.00
Services of Peter Clayton			£	500.00
Peter Clayton's air fare			£	552.30
Hotel bill for both	DM	957.70	*	330.73
Car Hire	DM	620.72	*	215.98
Evening Meal-Sun-2	DM	155.00	*	53.92
Evening Meal-Mon-1	DM	35.00	*	12.17
Telephone call to US	DM	226.00	*	78.12
Car Park at airport	DM	5.00		1.74

(*converted to sterling at credit card rates)

Sub Total Expenses 2163.26 ** 3555.75

(**converted at $1.6437, closing bid spot at 23rd Feb)

TOTAL **$ 11055.75**

BG

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129
(914) 631-1164 FAX

January 7, 1998

Mr. John O'Sullivan
119 The Avenue
Sudbury on Thames
Middlesex TW16 SEQ
England

Dear John:

As we have discussed, Burton Grad Associates, Inc. (BGAI) wishes to retain your services to perform a technical due diligence study for my client, Sterling Commerce, Inc. (SCI), in regards to certain assets of a company (code name is Roger) that they plan to acquire, which is located in Dusseldorf, Germany.

SCI wants to have an independent due diligence study performed to ensure that the technical representations made by Roger to SCI are accurate and complete. SCI also want to be sure that there are no product or other technical issues which would impact estimates of current value or projections of future profits.

The overall work plan is:

1. BGAI will request certain information from Roger for the technical areas to be examined. The request list will be sent to Roger as soon as the content has been reviewed and approved by SCI.

2. BGAI will conduct on-site interviews with key management of Roger and examine relevant Roger materials for the assigned technical areas.

3. BGAI will then analyze the Roger materials and interview notes to identify any areas of concern and potential problems in the assigned technical areas.

4. BGAI will prepare a report summarizing its findings without disclosing Roger-identified confidential materials.

The on-site work will be performed in Dusseldorf, and is tentatively scheduled for January 26 and 27, 1998, with a final report due to be submitted by you to BGAI on January 30, 1998.

By signing this agreement, you understand that you are bound by the following confidentiality statements:

- All information received and work performed will be treated as fully confidential and will not be disclosed to any third party without prior written consent from Roger and SCI.

- BGAI and its employees and associates will be bound by the appropriate non-disclosure agreement between SCI and Roger, and will sign a separate letter to that effect.

- Material obtained from Roger will not be shared directly with SCI. BGAI will not remove any programs or program documentation from Roger premises without written Roger authorization, nor provide detailed descriptions of any of these items to SCI.

- You are not to disclose the name of the prospective acquisition unless you have written authorization to do so and have signed an appropriate non-disclosure agreement.

You should plan to use a qualified programmer to do some of the on-site code review work, and this person must also sign a confidentiality agreement.

You will make all local arrangements for hotels, meeting locations and access to Roger management and technical personnel through a designated SCI representative or, as arranged, through a designated person at Roger.

We will work further on the specific questions to be addressed; however, attached to this letter is a first cut at the questions. These will be pruned and augmented after further discussions with SCI representatives.

You will be paid US$1,500.00 for each day on this project (proportionately for partial days). Travel time is normally not to be charged. All reasonable authorized expenses related to this project will be reimbursed at cost, including transportation, accommodations, meals, telephone/fax/e-mail and express delivery.

Based on the information currently available, we believe that your portion of the project can be completed satisfactorily in approximately four days, including preparation time and time required to write the report. If there are changes in the assignment, additional fees may be billed with prior agreement with BGAI.

Please bill BGAI at the conclusion of the project for your fees and expenses and you will be paid in US funds within 15 days of receipt of your invoice.

If the above project description is acceptable, please sign this agreement letter and return a copy with your original signature. I look forward to working with you.

Sincerely,

Burton Grad

BG:3677
cc: Dennis Byrnes
Pat Davis

Accepted by:

_____
signature

John O'Sullivan

_____
Date

Technical Due Diligence Preliminary Information Request List

A. Development

1. Organization and training of development people
2. Scheduled enhancements/customer commitments
3. Current maintenance activities
4. Current development projects
5. Testing and quality assurance procedures
6. Effort and cost records for development
7. Product release and update procedures
8. Installation procedures
9. Development methodology used

B. Technical Review

1. Supported platforms and systems
2. Major features of the products -
   - functions performed
   - ease of set up, installation and use
   - maintainability
   - audits and controls
   - security features and options
   - third-party communications packages interfaces
3. Development languages and special tools used
4. Number of programs per product and lines of code
5. Sources of all code modules (ensure no non-licensed code)
6. Inclusion of proprietary notices in source and object modules, both current and previous releases
7. Method of change control
8. Volume and magnitude of change history
9. Number of product releases being supported
10. Structure of the code
11. Internal system documentation level and updates
12. Documentation of specifications and design
13. Prerequisites for running the products (including run-time licenses)
14. Access to source code
15. Access to usage/demo of operational code
16. Unit and system test cases

C. Product Functionality and Quality

1. Interface standards supported and delivered with the product

2. Communications protocols supported

3. International features:
   - Certification with international networks
   - Specific features for international use
   - Is the product "national language enabled"?

4. Any special features for interfacing with other software products?

D. Special Areas of Interest

<to be provided by Randy Harvey at ISG>

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1226 FAX: (914) 631-1264
CC MAIL: BURTON GRAD@CORPGATE

Date: February 24, 1998

To: Randy Harvey

From: Burton Grad

Subject: Roger Due Diligence

We have now sent you our "final" due diligence report. It does not answer all of the questions that [illegible] during the study.

Our letter to Pat Davis on 2/5/98 lists the 30 open issues as of that date and our letter to you and Pat Davis on 2/10/98 identifies where resolution had been achieved and who had responsibility for [illegible].

Since 2/10/98, the following items have been resolved or understood by SCI/ISG management (reference to 2/5/98 letter): #4, #5, #14, #15, #22, #27, #28, #29, #30.

We have not yet seen the legal due diligence report, not been able to get any feedback from Roger which still leaves open: #1, #2, #3, #6, #11, #21, #23, #24, #25, #26. Unless explicitly requested, we do not plan to pursue these open items any further. If they are important to your acquisition decision, [illegible] we will review them for you.

We are ready to proceed with the valuation study. Is this a go? If so, we will need access to Ed Waser for financial history and projections, with assumptions, and to you for the marketing strategy for the products and for the new TeleTiger technologies.

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 24, 1998

To: Dennis Byrnes

Copy: Pat Davis
Randy Harvey

From: Burton Grad

Subject: Roger Invoice

Enclosed is our invoice for the Roger due diligence project. It is considerably higher than we estimated ($17,000), primarily because of the extra time I had put into the project (4.5 days versus planned 2 days) and higher expenses because we had to use a non-German programmer.

This turned out to be more difficult than any of us expected, partly because of the TeleTiger/HPC situation and partly because of the late availability of the key legal documents. Having all materials in German and the ongoing management transition at Roger also slowed things down, requiring multiple telephone calls trying to reach key people.

Please pay this quickly if you can so that I can pay O'Sullivan and Clayton.

Enclosure
3748

Sterling Commerce, Inc
4600 Lakehurst Court
Dublin, OH 43017-0760

Invoice #2871

February 24, 1998

Project #: 263-6

Attention: Dennis Byrnes
cc: Randy Harvey
Pat Davis

INVOICE

Project: Roger Due Diligence

Consulting Services:

Burton Grad	4.5 days @ $2,500/day	$11,250.00
John O'Sullivan	5.0 days @ $1,500/day	7,500.00
Peter Clayton	1.0 day @ $822/day	822.00
	TOTAL FEES	$19,572.00

Expenses Incurred:

1/25-1/27/98 Travel from London to Dusseldorf
John O'Sullivan

Airfare	621.81	
Parking	68.66	
Hotel (2 nights)	362.41	
Car Rental	355.01	
Meals	64.32	
Telephone	128.41	1,600.62

1/25-1/26/98 Travel from Edinburgh to Dusseldorf
Peter Clayton

Airfare	907.82	
Hotel (1 night)	181.21	
Meals	44.31	1,133.34

BGAI Expenses:
Telephone and fax 439.60

TOTAL EXPENSES 3,173.56

TOTAL INVOICE $22,745.56

Invoice is Due and Payable Within 15 Days of Receipt

John O'Sullivan BSc FBCS CEng FCMA

+44 1932 761471 Tel/Fax
+44 850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

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(*converted to sterling at credit card rates)					
Sub Total Expenses				2163.26	** ~~3355.75~~ 3555.75
(**converted at $1.6437, closing bid spot at 23rd Feb)					
				TOTAL	$ 11055.75

2/12/98

To: John O'Sullivan 4 pgs including This one.

From: Brent Quad B.

subject: Roger due diligence

Enclosed are:

- Hand written letter from Weber related to Heinecke letter
- Ltr to Weber from Heinecke (translated) regarding ownership of code and licenses to use other development materials
- Translation of Juergen Liersch Qt summary.

Please read (if you can)

Please give me Clayton fax # so I can send him a copy for comment

I'm still trying to finish report by 2/13 ~~2/14~~ pm (or ~~sat~~ 2/16 pm)

FAX

John O'Sullivan BSc FBCS CEng FCMA

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

TO:

Burton Grad
Burton Grad Associates, Inc
New York

001 914 631 1164

1 + 2 pages

12th February 1998

Project Roger

1. I spent over an hour this afternoon attempting but failing to speak to O-tel-o. I tried Weber, Bongards, Spiegelberg, Lamberts. Will try again tomorrow morning.

2. In the meantime, I have checked my notes on the outstanding question of the Braun customer requirement, known as requirement 270. I have a written statement that this has been completed (actually they say "realised"), but is planned for the next release. I think this must mean that the customer has been issued a patch, but that is what I want to check. Also whether the customer has implemented, and whether it has worked ok.

3. I have received and read your fax. Will call you shortly to discuss.

4. I have spoken to Peter Clayton. He does not have a working fax at home, so I have arranged to fax to him at work early tomorrow. He will study it, and call you direct. He has your numbers. His contact numbers are:

   Home (0)131 557 9704
   Mobile (0)468 538710
   Work (0)1475 894334

JOHN O'SULLIVAN

1/27/98

To: John O'Sullivan

From: Boat Squad

subject: Roger due diligence - 3rd party review.

HPC

These are our specific concerns in performing due diligence on the 3rd party programming firm:

1. What have they worked on previously? when? how much? who? do they still have programs, documentation? any on-going responsibilities?

2. What are their current assignments? status? plans? when do complete? who?

3. History of firm; other clients; history of people? where from? what projects? org chart

4. security procedures; access to Roger to code? employee agreements? agreement with Roger and testing

5. Development procedures? integration with Roger? down connection? enhancements?

TeleTiger QA Report

The conduction of the TeleTiger pre-testing shows the following results:

test aspects	number of errors / improvements	comment
programming logic	7	market readiness not given
GUI	73	the acceptance of the product is slightly reduced
functionality	19	Additional features/changes to enhance user friendlyness

Programming logic

Errors of this category cause delays in the product launch. Examples:

- change of layout of telco bills impossible
- correction of defective IDOC's impossible
- wrong writing of SAP standard tables (thus reducing the SAP standard functionality)

GUI (surface)

Some transactions are not user friendly. Partly it is difficult to identify linked objects as such. A quick search of data linked to each object is not ideally supported and thus aggravates the handling of those objects. Some examples:

- A user cannot recognize whether an item of a bill belongs to an individual bill or a collective bill. The selection of a single item is difficult and presupposes that the user has a guess of the bill. The processing of a bill requires the user to fill in four different fields that identify it precisely. From a technical point of view, however, a single data field would be sufficient. A straight forward search and processing of a complete bill therefore is not possible.
- The sales order processing allows no selective search, i.e. if item 13 of an order is to be looked at, the user needs to click through all 12 previous items. SAP, however, offers comfortable solutions to this issue. In most standard transactions a brief information on the object and a list of all items linked is given. SAP features allow the user to refer to the desired item.
- The error correction of telco bills sent via EDI is very cumbersome and is not conform with the standard SAP IDOC interface. If an error occurs within an IDOC, a mail pops up that is being stored in a pre-defined file. The assignement of errors to a responsable employee is not possible. The mail does not contain any information on the respective IDOC. There are no functions to handle the error based on the mail received (SAP standard functionality)

Functionality

This category does not contain any „real" errors. The listed improvements can be considered in a later release.

Summary:

- Regarding that this is not the final version, the TeleTiger is from a technical point of view stable.
- The GUI is very bad in some transactions which will cause problems in the daily use, trainings and sales presentations.
- The required functionality is mostly given.

From Juergen Liersch

GESAMT SEITEN 02

o.tel.o

Answer of HPC to Christoph Weber, dd 5th February 1998

Dear Mr Weber,

thank you for your letter dd 2nd February 1989. Please find our answers to your questions in the following:

as to 1.:
HPC developed all objects of the development class ZZTT which comprises the standard market version of TeleTIGER for o.tel.o. It is a first work, exclusively done for LION Edinet, Vebacom respectively o.tel.o.

as to 2:
When deploying add on developments to SAP R/3 generally in R/3 available development tools are used such as standard functionality modules, lock objects, match code objects, data elements and domains. The TeleTIGER Software also makes use of these standard tools. The menu items „system" and „help" being part of the TeleTiger surface with enqueued standard functionalities are also considered to be standard. Starting from the TeleTIGER menu there are further access possibilities to the following R/3 standard functionalities:

- adress maintenance via SAPMSAD0 and SAPLSAD0 programs
- IDOC administration via reports RBDMANIN and RSEIDOC2
- creditors maintenance via SAPMFO2K program (only with customizing flag for LFA1)
- profit center maintenance via SAPMKMA1 program (only with customizing flag for CSKS)
- bank master data maintenance via SAPMFO2B program (only with customizing flag for BNKA)

as to 3:
Currently, the copy rights of the TeleTIGER development class ZZTT are exclusively owned by HPC. The objects of the SAP standard mentioned under point 2 are not part of this development class thus not being contained in the market version of TeleTIGER. Therefore, no copy right conflict is expected from this side. If at all third party copy rights could be affected by TeleTIGER these would be copy rights of SAP AG.

If you want to make sure that no patent right infringement occurs you can ask SAP to officially declare /release TeleTIGER as R/3 add-on software.

We hope that the above mentioned information will be of use to you.

Yours sincerely,
HPC Heck & Partner
Consulting GmbH

Wolf-Kersten Meineke

o.tel.o

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Yours sincerely,
HPC Heck & Partner
Consulting GmbH

Wolf-Kersten Meineke

HPC

HPC GmbH · Multring 26 · 69469 Weinheim

o.tel.o communications GmbH
Herrn Weber
Heerdter Lohweg 35

40549 Düsseldorf

HPC Heck & Partner
Consulting GmbH

Multring 26
69469 Weinheim
Telefon 0 62 01/94 95-0
Telefax 0 62 01/94 95-95
100705.2667 @compuserve.com

Ihr Zeichen	Ihre Nachricht vom	Unser Zeichen	Datum
		km/iw	05.02.98

Sehr geehrter Herr Weber,

dankend bestätigen wir den Eingang Ihres Schreibens vom 02.02.1998 und beantworten Ihre darin formulierten Fragen wie folgt:

Zu 1. Sämtliche Objekte der Entwicklungsklasse ZZTT, welche die Standard-Auslieferungsversion des TeleTigers umfasst, wurden von HPC ausschließlich, erstmalig und exclusiv für Lion bzw. Vebacom bzw. o.tel.o entwickelt.

Zu 2. Wie bei Add-on-Entwicklungen zu SAP R/3 üblich, bedient sich auch die TeleTiger-Software diverser im R/3-Standard allgemein verfügbarer Entwicklungsobjekte wie z.B. Standard-Funktionsbausteine, -Sperrobjekte, -Matchcodeobjekte, -Datenelemente und Domänen. Ebenfalls üblich sind die in die TeleTiger-Oberfläche integrierten Menüpunkte "System" und "Hilfe" mit den jeweils hinterlegten Standardfunktionalitäten. Darüber hinaus bestehen, ausgehend vom TeleTiger-Menü, noch Zugriffsmöglichkeiten auf folgende R/3-Standardfunktionen:

Adresspflege via Programme SAPMSAD0 und SAPLSAD0
IDOC-Verwaltung via Reports RBDMANIN und RSEIDOC2
Kreditorenpflege via Programm SAPMF02K (nur bei Customizing-Flag für LFA1)
Kostenstellenpflege via Programm SAPMKMA1 (nur bei Customizing-Flag für CSKS)
Bankenstammpflege via Programm SAPMF02B (nur bei Customizing-Flag für BNKA)

Zu 3. Die Urheberrechte an der TeleTiger-Entwicklungsklasse ZZTT liegen derzeit ausschließlich bei HPC. Die oben unter Punkt 2 erwähnten Objekte des SAP-Standards sind kein Bestandteil dieser Entwicklungsklasse und infolgedessen auch nicht in der Auslieferungsversion des TeleTigers enthalten, so daß an dieser Stelle keine Copyrightkonflikte zu erwarten sind. Sofern überhaupt fremde Urheberrechte durch den TeleTiger berührt werden, können diese allenfalls bei der SAP AG liegen.

Sitz: 69198 Schriesheim · Registergericht Mannheim HRB 1362 W · Geschäftsführer: Josef Heck, Wolf-Karsten Mancke
Bankverbindung: Bezirkssparkasse Weinheim, Kto.-Nr. 04 000 196 (BLZ 670 523 85)

HPC GmbH · Mühring 26 · 69469 Weinheim

Um etwaige Schutzrechtsverletzungen mit Sicherheit auszuschließen kann bei der SAP AG eine Freigabe des TeleTigers als R/3-add-on-Software beantragt werden.

Wir hoffen, daß obige Angaben für Sie von Nutzen sind und verbleiben

mit freundlichen Grüßen

HPC Heck & Partner
Consulting GmbH

Meineke

Wolf-Kersten Meineke

Due Diligence Checklist - Revised January 15, 1998

Product Quality	Date
1. Change control process	
2. Number, type, procedure for distribution and frequency of system fixes; number of releases supported	
3. Quality assurance process including test strategies, test cases and test procedure	
4. Open error corrections and open problem reports, volumes and activities	
5. Customer technical communications	
Projects in Process	
1. Current development projects (new products, ports to additional platforms)	
2. Current enhancement projects (releases, sub-releases)	
3. Outstanding commitments to customers	
4. Any strategic development partnerships (e.g., SAP, Microsoft)	
Product Design and Implementation (including work performed by third-party non-Roger personnel)	
1. Languages used for product development and versions of compilers; platforms for development	
2. Any special development tools used	
3. Prerequisites for running product/runtime licenses required	
4. Source code for all products; access to source code; number of programs and lines of source code	
5. Software/code management tools used; configuration management methods	
6. Code review to assure no use of non-licensed code	
7. Any proprietary notices in either source or object code for any products	
8. Structure of code and quality of code documentation	
9. Development methodology followed	
10. Type of documentation for design specs and program specs	
11. For third-party development, source code location, control, management procedures, interfaces, etc.	

Due Diligence Checklist - Revised January 15, 1998

Technical Review	Date
Product Functionality (breakout by each product, e.g., Tiger, TeleTiger, SINFOS, other)	
1. Major features/functions of the product	
1a. Are there any installations with one-off or custom code or customer specific customizations	
1b. Any specific market features (e.g., VAT reports, VAN reconciliations, etc.)	
2. EDI standards supported and delivered with the product	
2a. How is CEDAS supported? generic translator or custom code	
3. Communications protocols supported and scripting supported; how many network scripts are shipped with the product, ISDN cards and brics supported	
4. Usability of products (easy to set up partners, do maps, etc.)	
5. Ease of installation plus installation procedure	
6. Control features for managing and auditing processes	
7. International features: • Certification with international networks • Specific features for international use (e.g., INS command set generator for U. K. users of the INS network) • Is the product "National Language" enabled	
8. Security features and options	
9. Hardware platforms, operating systems and data bases supported	
10. Any special features for interfacing with other software products (e.g., interface with SAP, Baan and J. D. Edwards, Oracle, Peoplesoft, etc.)	
11. Complete listing of all third-party software or hardware products used in or with the software products (e.g., ISOCOR, Maxware, Exchange, etc.)	
12. Year 2000 compliance assurance for all software products	
13. What problems do they foresee in moving customers from Tiger UNIX to GENTRAN:Unix if/when we choose to do that migration, from what they know of our GENTRAN product	
14. Maintainability	

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235 MARTLING AVENUE
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(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 5, 1998

To: Pat Davis

Copy: Dennis Byrnes
Randy Harvey
John O'Sullivan

From: Burton Grad

Subject: Open Technical Issues/Questions as of February 4, 1998

The following lists open technical issues/questions from the O'Sullivan report:

Legal

1. Legal review of Tiger routines (and tools) licenses for usage and remarketing (see 2/4 letter to Legal DD team (Raima Data Manager, Vitamin C, Tigcrypt, Meldung). We assume that Lion and Vebacom proprietary notices will be covered by Roger acquisition agreement.

Legal

2. Legal review of licenses for communications utilities products being remarketed (see 2/4 letter to Legal DD team for scope and transferability):

   - Isoplex, Isotrade and Isogates from Isocor
   - Odex
   - MS Exchange
   - CoCoNet
   - Net CS
   - MT Access

Legal

3. Legal review of HPC development agreement for sole ownership by Roger

Webcor 2/11

4. Certification by HPC of code originality and necessary development, usage and remarketing licenses

✓SCI -

5. Clarification of process for converting Tiger user to Gentran usage

RH - 6/8
IdoC

6. Description of status on developing TeleTiger to Gentran interface

7. Description of how Gentran can interface with communications utilities marketed by Roger

8. Identification of specific, must-do technical work on Tiger (Y2K compliant, NT operation, other UNIX flavors)

9. Receive and review Juergan Liersch summary (English copy from Astrid Lamberts)

10. What is technical communication utilities problem with Herlitz (Berlin)? Does it imply any special technical interface or operational issues?

11. Is Euro compliance needed for TeleTiger?

12. Can IBM module be removed from Tiger without any problems? Does it need to be?

13. Can the C function GETOPE be removed from Tiger without any problems? Does it need to be?

14. Review error correction status on TeleTiger and schedule for entering beta test at BMW

15. Will TeleTiger be ready for "launch" at March CEBIT meeting?

16. Does X400 interface for Tiger need to be updated from the 1988 version to 1992 and/or 1996?

17. Does Tiger require an Internet interface?

18. What is status and significance of "Productivity Enhancement" feature for Tiger? What resources and schedule required?

19. Is new graphical "Tiger Monitor Tool" necessary for Tiger enhancement? What resources and schedule required?

20. Does Tiger require the INS interface?

21. What specific versions of Tiger are currently supported and how many actively maintained customers for each version?

22. Error analysis and plan to fix for Tiger

23. Status and plans for Braun requirement and SCO UNIX 5.04 enhancements

24. Licenses for Tiger development tools: c2h, lint, purify, inside, installshield

25. Do any customers have copies of or access to Tiger source code? If so, what restrictions are there in their contracts?

RH Roger 26. Need to check on Y2K compliance for all communications utilities

RH 27. What is nature of product development for TeleTiger for use throughout Europe? Similarly for use in the U. S. and Canada?

RH Roger/SCI 28. What is timing and content for TeleTiger Release 1.0? who does HPC do development?

Roger 29. How strong are the SAP relationships for Roger (and for HPC)? When will TeleTiger be accredited?

SCI 30. Who will maintain TeleTiger? If Roger, who on their staff will maintain it? If HPC, is there an agreement in place or under negotiation.

Please indicate which of these you want BGAI to pursue, which you will handle elsewhere in the due diligence process and which do not require further attention.

We will assign people to each of the BGAI topics and include those answers as well as relevant information from other due diligence team members in our final report.

BG

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 4, 1998

To: Legal Due Diligence Team
Dennis Byrnes ✓
Hannes Meckel ✓
Phil Dean
Ed Waser ✓

Copy: Pat Davis ✓
John O'Sullivan ✓

+ cust access to TIGER

From: Burton Grad

Subject: Issues raised during technical due diligence for Roger

During our technical due diligence process we have identified certain items which need legal review prior to our producing the final due diligence report.

Please provide responses to us on the following questions:

1. There are a few routines in the Tiger product or used in developing it which have been copyrighted or appear to be the property of third parties. Please determine whether Roger has appropriate usage and resale licenses for the following items:

   - Raima Data Manager
   - Vitamin C
   - Tigcrypt which uses the SCORE library from Concord-Eracom
   - c2h (shareware)
   - lint
   - purify
   - inside, checking memory

   +Melding
   + install shield

2. Roger is remarketing a number of third party communications utilities. Please verify that Roger has appropriate remarketing licenses for the following products:

   - Isoplex, Isotrade and Isogates from Isocor
   - Odex
   - MS Exchange
   - CoCoNet (Computer Conversion Network)
   - Netcs
   - MT Access

Also, check to see if these licenses are transferable, if they have any geographic, platform or industry limitations and if the pricing/royalty structure provides a suitable framework for ongoing activities by Sterling Commerce.

3. HPC (an independent third party developer) has been doing all of the programming work for the new TeleTiger product. We have asked Roger to obtain a certification from HPC that all of the TeleTiger code is either original or that they are licensed to incorporate any third party code in the programs. We have asked them to identify any third party code and to show us their licenses. Please review the HPC/Roger contract to insure that Roger has all rights needed to the TeleTiger programs (and HPC has none) and that any third party licenses are transferable to Roger or can be readily obtained by Roger. The license to use the SAP ABAP development system may be the most significant.

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 9, 1998

To: Legal Due Diligence Team
Dennis Byrnes
Hannes Meckel
Phil Dean
Ed Waser

Copy: Pat Davis
John O'Sullivan

From: Burton Grad

Subject: Additional Issues Raised During Technical Due Diligence for Roger

- Please review the following additional licenses in #1: "Meldung" and "install shield"
- Do any customers have copies of or access to Tiger source code? If so, what restrictions are there in their contracts?

FAX

John O'Sullivan BSc FBCS CEng FCMA

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

TO:

Burton Grad
Burton Grad Associates, Inc
New York

001 914 631 1164

1 + 2 pages

2nd February 1998

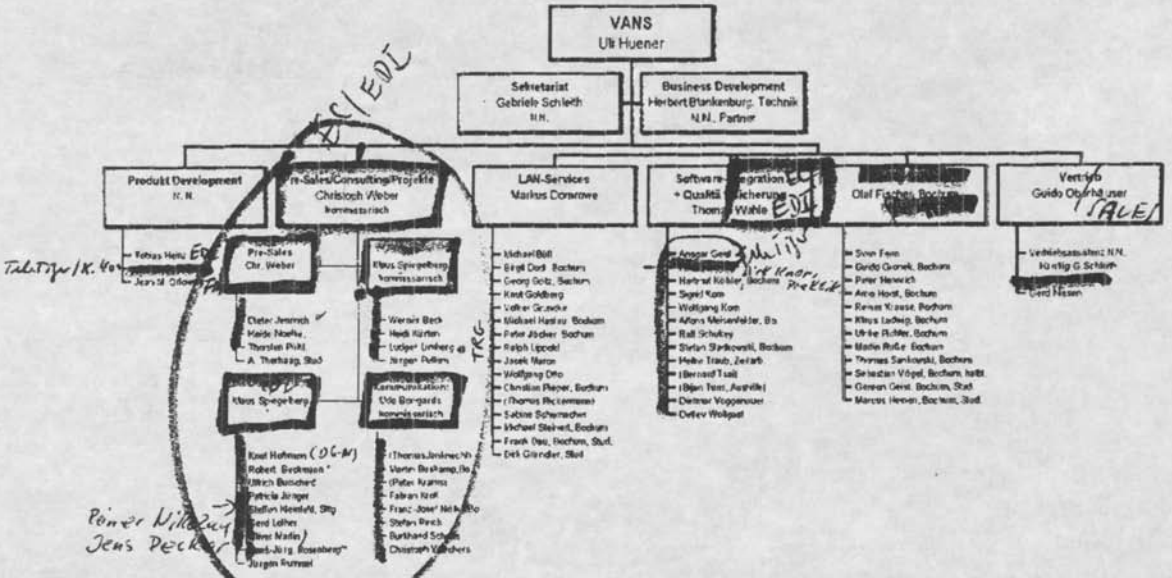
Project Roger

I have now despatched by email the FINAL DRAFT 0.4 of the Report, together with a separate addendum on Personnel matters.

I also attach two pages which I cannot send by email. Hope they are readable at your end.

JOHN O'SULLIVAN

VANS Competence-Center



( ) = Kündigung 9-12.97 ,
alle Mitarbeiter ohne Ortsangabe = Düsseldorf, Albertusbogen
* Freiburg **Berlin
Marion Müller, Disposition=auf Kst. Rechnungswesen

Anzahl Mitarbeiter Sept. 97: 79
davon 5 Studenten, 1 Zeitarbeitskraft, 1 Aushilfe

FIGURE 1.

o.tel.o

FAX SENT BY : 01932 761471 JOHN O'SULLIVAN A4->A4 02/02/98 08:24 PG: 2

o.tel.o

Udo Bongards
Projekte & Consulting / Consultant

0211/5602 - 3217
+49-177-5480034

o.tel.o service GmbH & Co KG
~~Deutz-Mülheimer-Straße 111~~
~~D-51063 Köln~~
Telefon ~~0221-808-4300~~
Telefax ~~0221-808-4301~~

o.tel.o

Astrid Lamberts
Bereich VANS,
Produktmanagerin X.400/Messaging

0177-2200255
0211-5602 3336

o.tel.o service GmbH & Co KG
Deutz-Mülheimer-Straße 111
D-51063 Köln
Telefon ~~0221-808-4227~~
Telefax 0221-808-4227

o.tel.o

Christoph Weber
Bereich VANS,
Abteilungsleiter Pre Sales

o.tel.o service GmbH & Co KG
Deutz-Mülheimer-Straße 111
D-51063 Köln 0211/5602 3216
Telefon ~~0221-808-4340~~
Telefax ~~0221-808-4301~~ 3209
Mobil 0177-7008015

o.tel.o

Friedrich Niehues
Customer Service
Leiter VAS I

o.tel.o communications GmbH & Co.
Heerdter Lohweg 35
D - 40549 Düsseldorf
Telefon 02 11 / 56 02 - 24 00
Telefax 02 11 / 56 02 - 20 40

o.tel.o

Friedhelm Bär
Software Integration
VANS

o.tel.o communications
GmbH & Co.
~~Heerdter Lohweg 35~~
~~Albertusbogen~~
D-40549 Düsseldorf
Telefon ~~0211-5602-3254~~
Telefax ~~0211-5602-~~ 3289

o.tel.o

Klaus Spiegelberg
Leiter EDI-Projekte

0211/5602-3278
0211/5602-3209

o.tel.o service GmbH & Co KG
Deutz-Mülheimer-Straße 111
D-51063 Köln
Telefon ~~0221-808-4311~~
Telefax ~~0221-808-3301~~

o.tel.o

Uli Huener
Leiter VANS

o.tel.o communications
GmbH & Co.
Heerdter Lohweg 35
D-40549 Düsseldorf
Telefon 0211-5602-3200
Telefax 0211-5602-3209
Mobil 0177-3338988

MUTUAL CONFIDENTIALITY AGREEMENT

between

o.tel.o communications GmbH & Co.
Am Bonnashof 35, 40474 Düsseldorf, Germany

and

Sterling Commerce, Inc.
4600 Lakehurst Court, Dublin, OH 43016-2000

Preamble

It is the intention of the parties to discuss and evaluate a possible business transaction concerning a division of o.tel.o communications GmbH & Co.

For this purpose, the parties will need to reveal certain confidential information (hereinafter „Information") to each other. It is the desire of the parties to prevent wrongful or unauthorized use or disclosure of this Information. Therefore, in consideration of the premise and the mutual covenants contained in this agreement, the parties agree as follows:

1. The parties agree that any Information directly or indirectly received from the other party in connection with the above project will be treated confidentially as hereinafter agreed. Such confidential treatment requires that the Information received form the other party (i) will not be disclosed to any third party and (ii) will not be used for any purpose other than as necessitated by the objective stated in the Preamble. Any use beyond this scope, and any disclosure to a third party, requires the prior written consent of the disclosing party. However, disclosure to affiliated companies or to advisers shall be permitted without such explicit, written consent, provided the disclosure is necessitated by the project and further provided any such recipient has first agreed in writing to comply with the confidentiality obligations as stipulated by this Agreement. Each party will treat Information received from the other party with the same degree of care as applied to its own confidential or proprietary Information, and at least with the care afforded by a diligent business partner.

   Notwithstanding the above, each party shall be entitled to fulfil information requests to the extent required by law.

2. The confidentiality obligation shall not apply with respect to information that

   - is known to the recipient without restrictions regarding confidentiality prior to receipt from the other party, or
   - is publicly available at the time of disclosure, or thereafter becomes publicly available other than through a breach of this Agreement, or
   - is lawfully and without confidentiality obligations obtained from a third party.

3. This Agreement becomes binding as of the date the Agreement has been signed by both parties. The confidentiality obligations arising out of this Agreement shall remain effective for a term of three (3) years, notwithstanding any earlier termination of the project described in the Preamble.

4. The parties agree that no grant of a license or other authorization to use shall be connected to the disclosure of information under this Agreement. Neither party shall be entitled to act as an agent or in any other capacity for the other party. The establishment of any obligations between the parties beyond the scope of this Agreement shall require an explicit, written agreement. In no event shall either party or its respective representatives be liable to the other party for any indirect, incidental or consequential damages *(Folgeschäden)* whatsoever arising from or related to any breach of this Agreement or the evaluation of the other party, its products or business beyond a maximum amount of DM (Deutsche Mark) 5 million.

5. Any modification of or amendment to this Agreement shall be invalid unless made in writing. This Agreement shall be governed by the laws of Germany, without reference to its provisions on the Conflict of Laws. Any claims or disagreements arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the Commercial Court of Düsseldorf (Landgericht, Kammer für Handelssachen).

Düsseldorf, dated 5/12 1997 Dublin, dated Dec 9 1997

o.tel.o communications GmbH & Co. Sterling Commerce, Inc.

Acknowledged and Agreed To:

JOHN O'SULLIVAN
[Print Name]

14 JANUARY 1998
[Date]

P.A. CLAYTON

25 JANUARY 1998

MESSAGE # 1

Subj: contributors to the history of software
Date: 98-02-10 22:54:19 EST
From: carley@iname.com (Carley Phillips)
To: burtgrad@aol.com ('burtgrad@aol.com')

The most glaring omission seems to be Bill Gates, perhaps more responsible than any other individual for creating standardized systems software that has allowed the desktop computer explosion.

****

MESSAGE #2

Subj: Legal due diligence
Date: 98-02-10 17:23:54 EST
From: Patrick_Davis@ns.stercomm.com (Patrick Davis)
To: hannes.meckel@bakernet.com, Dennis_Byrnes@ns.stercomm.com (Dennis Byrnes), burtgrad@aol.com

Hannes--
Here are some questions from Burton Grad that you may have already answered, but I want to make sure:

1.) Do any o.tel.o customers have accee to or copies of Tiger source code? If so, what are the restrictions in their contracts?

2.) Does o.tel.o have usage and remarketing licenses for the following software that is included in the Tiger software:
Raima
Vitamin C
Tigcrypt
Meldung

3.) Does o.tel.o have the proper reseller licenses for the following software:
Isoplex, Isotrade, Isogates from Isocor
Odex
Microsoft Exchange
CoCoNet
Net CS
MT Access

4.) Does o.tel.o have the ownership for TeleTiger clearly licensed from HPC for sole ownership by o.tel.o?

Thanks, Pat

BG

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: January 15, 1997

To: Pat Davis

Copy: Dennis Byrnes
Randy Harvey
John O'Sullivan

From: Burton Grad BG

Subject: Roger Technical Due Diligence

Attached is a further revision to the technical due diligence checklist. John and I have discussed this in detail. We will need a more detailed list for P D and I #6 and #11. I will get input on #6 from Sid Dunayer (not disclosing what the project is). John and I will put together a draft for #11.

I have asked John to call Randy to be sure that he (John) understands fully about Randy's questions. John is proceeding to identify a German programmer; we should have one or two candidates on January 16. He will send the CV(s).

Pat, it is time to work out the local logistics with John for visiting Dusseldorf and Mannheim. Please call John directly or have your representative in Europe set this up with John.

It is also time for me to contact your interface at Roger so I can send him our due diligence checklist. We need to have the material available before John and the programmer get there; some items we will want sent to us in advance. Who should I fax the letter to?

John has signed the non-disclosure (as have I) and both have been sent to Dennis Byrnes.

I have faxed to John selected pages from the acquisition analysis related to the technical due diligence. John may need other materials about GENTRAN (which he can get from Randy).

Lon Baugh spoke to me briefly about the valuation. Please contact John Blaine and have him call me so that we can arrange for me to get financial materials while you (or your financial people) are at Roger. The valuation will need to be on an accelerated schedule according to Lon.

I am putting together an overall action list to be sure that all of the technical due diligence stays well-coordinated and on schedule; I will fax this to you on January 16, 1998.

Phil Dean
~~44~~ 331 53 93
1702

Stephanie
Weber - 614 793
7146

John O'Sullivan --

Dusseldorf - not expecting O's + Clayton

3 families of products
- TIGER - DOS, UNIX
  in house devel with
- Commun. Facilities - 3rd party license
  to resell to customer
- Teletiger - work in progress
  devel by 3rd party software
  house - due for 10/97 rel.
  BMW is prototype customer
  targeted for 2/98 Beta
  QA(O.tel.O) rejected
  An application with SAP setup
  takes telephone bills +
  process them
  in/out -- R3 only (IDOC)
  interface
  written in ADAP 4 (SAP
  application language)

special report by ~~for~~ 3rd party consultant who knows ADAP 4

FAX
49 211 3897777
Hotel EDEN

Not allowed to see Teletiger code?
(Product Mgr TT) Astrid Lamberts says no per
sterling agreement.
But wouldn't help us since can't
read the source

advised not to go to third party site

Q1 - Access to code rules
Access to special report -
Access to QA report -
Do we go to Mannheim

Christoff Weber
Fuenbeth

TIGER —

Clayton reviewed TIGER code
- appears well structured,
well documented, moderate
100K LOC 100 modules
looked at 25% sample (self selected)

searched code (grope?) - copyright
3rd party DB + utilities
IBM CW notice from IBM
(maybe left over - not
called for)
Utility in source - usually
part of UNIX operating system
list of all named references
of CPR
not on DEC, Siemens or ICL
seems on HP, IBM
NT ? not yet - uncertainties
own code + 3rd party code

concerns - TIGER, not 2nd Y2K
compliant
- GENTRAN does not
directly replace TIGER -
some different functions
needs to have added
GENTRAN functions
GENTRAN is Modem - based
TIGER is X.400

Common programs

X400
ISOCOR products
ODEX

necessarily ~~the~~ no mods
not Y2K compliant - need to be tested
need to interface with GENTRAN
How to verify that ~~a~~ vendor has
full rights

no source
distribute object

primary Roger business is
consulting, integ, trng
typically 30 days of work

~~nervous~~ concerned about whether SOI realizes that
much of ~~will be~~ value in services

Conclusions - 1st day

John O'Sullivan

Did not visit software house (4 hrs drive) 1/27/98

looked at new product in Dusseldorf

HPC – Germany office in US (Calif + ____)

Website 10-80 people all in SAP.

looked at 2 modules; report prog

seems quite procedural
screen painting and report writer

Roger – employee spent 3 months

~~HPC~~

HPC unaware of acquisition

rels are somewhat sensitive between HPC + Roger

fixed price

4 ft + 4 part time + 1 proj mgr

significant errors found in QA
1 yr for prog level

security? uses std SAP R/3

to do code all clean? Jurgen

– QA Summary / Jurgen reports

1/23/98

To: John O'Sullivan
From: Brent Grad

what are specific products and technologies to be reviewed?

DOS/TIGER -
UNIX/TIGER -
desktop
server - UNIX [M:D, Single, WS] (WB)
NT/TIGER - DOS-SERV WS/NT

Teletiger

UNIX/Premium
COMLINKS?
DOS-DIR
3rd party software
other technologies
SYNFOS?

ELFE?
ODEX?
ISOCOR IsoPLEX
LION MS-Mail
CPI-C Schnittstelle
IDOC-TIGER

Revenue Sources

New software licenses
Maintenance
Consulting (plng, installation)
Education
3rd party software

Customer Base

SCI/Roger
due diligence

check list -

√ rec'd - to return Byrnes/BG - non-Disclosure agreement for BG + JO's
<send of original copies> [NDA for programmer]

O'Sullivan - Signed Proj agreement for JO's

Byrnes - Signed Proj agreement for SCI/BGAI

Davis - Source materials of regarding Roger
√SCI Analysis, (mktg mat'ls), √projections

* rec'd revised O's + Harvey + BG - Info Req'ts list
cpt this after Harvey discussion
set up call with O's

(BG.) - Info Request letter (and Intro) to Roger contact

(O's + BG) - Process and approach (samples, report?)

Davis, O's + BG - (Schedule), (local arrangements)

√Davis/Byrnes - √Contact list

Davis/Grad - Financial ~~arrangements~~ materials for valuation *
Proposal for Valuation -

Ed Waser ~~Sir~~/O's

* (O's/BG) - Programmer for code review

1/14/98

~~JO's~~

BG. √ - send copy of acq. analysis matl to O's
√ - Get Info req'ts list retyped +
sent to O's + Harvey + Davis
- write up Code Review Process
(using Dunayer)
- write up Third party (HPC) review
Process

=

- R+D Valuation - prepare plan + proposal
- MKTG Rights valuation - include in R+D plan

SCI / o.tell.o ~~due~~ due diligence

Patrick_Davis@Stercomm.Com

Pat Davis — 313-930-7821 1/5/98
313-930-7840 (fax)

Euro acquisition attempt —

target 1/12/98

L of I —

Dennis Byrney

Roger

C, C++
NT
UNIX
SAP interface

Germany
O.tell.o communications l/c

Telecom Co.

EC/EDI software unit

almost all in Germany

BGAI to perform technical due diligence

- ~~some~~ old software (to be replaced) TIGER 2 yr Sunset
- Communication links protocols + edi stds
  Com links
- new software (in beta test)
  Teletiger — w-w opportunity
  links Gentran with SAP R/3 (idoc)

est $15K for project

1500/ 4 days - O'Sullivan = 6K
1000/ 2 days - Prag = 2K
2500/ 2 days - Grad = 5K
13K
travel, exp 1K

1997 - Sales Serv + Support
20-30 employees
$3.3M

Randy Harvey - Tech Q's

in Dusseldorf - into SCI Dusseldorf office

send — L of I, Acq. Analysis, mktg matls, contacts
some A/R, Hand assets, some liabilities

SCF/Roger

Raimond König -- EY 1/30/98

issues: Contract DB (maint)
Fixed assets
Personnel -

Phil Dean - Pro Forma Projections) TIGER
Pro Forma History)
o Ltr of Intent -

O.tel.o wants to keep 50 customers

What does this mean?

Hannes Meckel - Legal work delayed -
have not examined any contracts yet.
- employment contracts
- customer contracts
- Supplier licenses
- HPC Agreement

Jurgen Liersch -
49-171-430-1367

October/November 1997

reviewing

license for SAP to HPC +
O.TEL.O to use ABAP
workbench?

~~Hard~~ ~~Can~~ Identify SAP WB ~~modules~~ programs by - A to X
custom progs must use (Z or Y) ~~ext~~ may include SAP WB modules

~~with~~
User Group programs are exchanged - no usage license

Summary 2-3 pgs
have Astrid Lamberts ---

100-200 programs

ck Meinecke re originality

Contract re Certification -- ~~certifies~~.

Could only detect copy if recognized code (e.g. similar function)

~~now~~ no way to tell who wrote code or when since any id's disappear when progs rolled up.

on-site review would not be productive

- Translate Liersch summary (~~Lamberts~~ Lamberts)
- Identification by HPC of all included mat'ls and sources (SAP, etc.)
- HPC licenses with sources
- O.tel.o licenses with sources
- Certification by HPC of ~~--~~ originality or licensed authority for all programs produced for o.tel.o under this contract.

BG to call Weber + Lamberts

~~49-211-49 51 30~~

6

~~211-4748000~~

211-5602-32 36 - Astrid

211-5602-3254 - Friedhelm Bar

per Christoph Weber 11/28/98

011-49-177 700 8015

Jurgen Liersch

HPC - Meinecke

Period each module - source code

who wrote it, when was it written

was it written for this project

or for a previous project

Subj: PERSONAL
Date: 98-01-28 03:37:24 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burt,

I had some bad news on my return to UK yesterday eve. My father has died.
This was not totally unexpected, as he was 85, and had a terminal illness,
but was still quicker than we were expecting.

Should still be able to get the Report out over the next few days, but
please bear with me if things are a bit ragged till then.

This whole job has been surrounded by accidental mishaps.

JOHN

———————— Headers ————————
Return-Path: <101642.2113@compuserve.com>
Received: from relay01.mail.aol.com (relay01.mail.aol.com [172.31.106.125]) by air10.mail.aol.com (v38.1) with SMTP; Wed, 28 Jan 1998 03:37:23 -0500
Received: from arl-img-3.compuserve.com (arl-img-3.compuserve.com [149.174.217.133])
by relay01.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id DAA12351 for <burtgrad@aol.com>;
Wed, 28 Jan 1998 03:37:21 -0500 (EST)
Received: (from root@localhost)
by arl-img-3.compuserve.com (8.8.6/8.8.6/2.10) id DAA15130
for burtgrad@aol.com; Wed, 28 Jan 1998 03:37:21 -0500 (EST)
Date: Wed, 28 Jan 1998 03:34:31 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: PERSONAL
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801280337_MC2-30F4-4262@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

Author: Patrick Davis at annarbor
Date: 1/26/98 3:39 PM
Priority: Urgent
TO: jochen.fuerbeth@a-tel-o.de at Dublin-isg
Subject: NEED YOUR HELP!

---------- Message Contents ----------

TO: Mr. Jochen Fuerbeth
FR: Pat Davis
DT: January 26, 1998

Jochen--

Our technical due diligence third party, Burton Grad Associates, has their representative, John O'Sullivan onsite at Dusseldorf. He wants to look at the TeleTiger code tomorrow at Mannheim, but was told by Astrid Lamberts that Sterling does not have permission to see the source code.

I think this is a misunderstanding by Astrid about the third party; Sterling will not see the source code, only the Burton Grad representative.

Please call Astrid to make sure that John is given access tomorrow (Tuesday Jan 27) so that he can complete the technical due diligence.

If you have any questions, you can reach me on my cell phone tomorrow starting at noon your time at (313)702-9102.

Thanks in advance for your help.

Pat Davis

Pat

Subj: Technical Due Diligence URGENT
Date: 98-01-23 15:23:42 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: Patrick_Davis@stercomm.com (Patrick Davis), jochen.fuerbeth@o-tel-o.de (Jochen Fuerbeth)
CC: burtgrad@aol.com (Burton Grad), randy_harvey@stercomm.com (Randy Harvey)

Pat,

Regret I have NOT received your (two ?) emails to me. Burt has faxed copies, from which I see that you have part of my email address INCORRECT. It should be

101642.2113@compuserve.com

Would Pat, and other addressees please check and correct. Pat - and any else - would you please resend anything you have sent me.

I guess there must therefore be some risk of a leak. If your emails have not been returned to you as undelivered , we must assume thay have been delivered to whoever is at 106142.... Does that matter ? Should we email and ask who it is ? Ask them to delete ?

Jochen,

I hope you receive this in time !

I confirm that I will be arriving Dusseldorf on Sunday afternoon, accompanied by a technical programmer, Peter Clayton. We both have confirmed flights arriving 1540. We will rent a car. As it is now too late for your office to do so, I will book a hotel directly from UK. We will report to you or Christoph Weber at your officeson Monday morning which I understand are at

HEERDTER LOHWEG 35

Say at 0830.

Later, we will need to visit the software house at Essen. Peter Clayton will be departing Monday evening. I will continue on Tuesday, departing Tuesday evening.

Look forward to meeting you.

JOHN O'SULLIVAN

Tel/Fax +44 1932 761471
Mobile +44 850 706246

———— Headers ————
Return-Path: <101642.2113@compuserve.com>
Received: from relay07.mail.aol.com (relay07.mail.aol.com [172.31.109.7]) by air28.mail.aol.com (v37.8) with SMTP; Fri, 23 Jan 1998 15:23:41 -0500
Received: from dub-img-6.compuserve.com (dub-img-6.compuserve.com [149.174.206.136])
by relay07.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id PAA01465 for <burtgrad@aol.com>;

Subj: Project Roger
Date: 98-01-20 15:42:18 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: randy_harvey@stercomm.com (Randy Harvey)
CC: burtgrad@aol.com (Burton Grad)

Randy,

Good to talk to you today. I am sending this partly to checkout email connections between us. Pl ack.

I look forward to receiving the info we discussed.

One other matter:- We are having difficulty locating an experienced C/C++ programmer to assist me on checking out the program codeing. Although I have got one suitable and available candidate, he is located in Edinburgh (Scotland) so there is some travel cost. It would be good to have an alternative, and Burt has suggested using someone from your Dusseldorf office. If you think that might be possible, please advise overnight the phone number, and who I might talk there. I could then follow up in the morning, European time. Please also email them to alert them that I will be calling. However if you think they could not help, or for other reasons you or Burt do not want to involve them, then please so advise. In any case, I will not speak to Dusseldorf without the go-ahead from either you or Burton.

JOHN 'SULLIVAN

———— Headers ————
Return-Path: <101642.2113@compuserve.com>
Received: from relay09.mail.aol.com (relay09.mail.aol.com [172.31.109.9]) by air09.mail.aol.com (v37.8) with SMTP; Tue, 20 Jan 1998 15:42:12 -0500
Received: from arl-img-7.compuserve.com (arl-img-7.compuserve.com [149.174.217.137])
by relay09.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id PAA25650 for <burtgrad@aol.com>;
Tue, 20 Jan 1998 15:41:52 -0500 (EST)
Received: (from mailgate@localhost)
by arl-img-7.compuserve.com (8.8.6/8.8.6/2.10) id PAA29322;
Tue, 20 Jan 1998 15:41:46 -0500 (EST)
Date: Tue, 20 Jan 1998 15:32:58 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Project Roger
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Randy Harvey <randy_harvey@stercomm.com>
Cc: Burton Grad <burtgrad@aol.com>
Message-ID: <199801201535_MC2-3005-7D61@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

Memorandum

To: Burt Grad

From: Sid Dunayer

Date: 01/21/98

Re: Code review checklist

I never really gave much thought to the processes that go on in my head as I do a code review. Thinking about it has given me some thoughts as to what to look for, but in the end it really comes down to good detective work. The other thing to keep in mind is that the person doing the review should have considerable experience in the software field and needs to have been exposed to many different pieces of code.

It is important for the reviewer to do some initial research into the history of the code. It is important to also know as much history about the current programmers (and the past programmers if possible) as you can. Using this knowledge, you can look for specific clues that might indicate contamination, For example, if a programmer had worked on a similar or related product for another vendor, there is a possibility that some code from the "other" product was used. We have seen this before and it is usually very obvious (through comments or mention of the other product). Even if no obvious clues are found, conversation with the programmer can many times lead to sections of code that may indeed be similar to another product.

The rest of the process involves looking for other clues. I usually start by looking at copyright notices. Many times, this yields sections of code (or modules) that actually belong to third parties not directly related with the company. Many times, this can point to "public domain" code that is either not really in the public domain or that requires a commercial license. In some cases, the company that is being reviewed can do the code scans before the visit (as was the case in a recent due diligence I did for you this past year) and they can be prepared when the reviewer arrives. Many times, this is an eye opener for the company and if they have nothing to hide, they will usually make every effort to clarify the ownership issue.

When looking at code for a UNIX system, you need to look out for code that may have been innocently lifted from some UNIX implementation (i.e., BSD, Linux or GNU). When you are looking at UNIX code, it is important that the reviewer have

PAGE 01 FAX 718-768-4382 SJDI

some intimate knowledge of one or more of these systems. There have been several occasions where some small piece of utility code from BSD was found in another product. This is usually not a show stopper, but does raise a yellow flag and indicates a more thorough review is needed.

Comments and coding style also play a big part in the review. You can usually tell when some section of code was done by a programmer other than the original author. Most good programmers that take responsibility for one or more modules try to maintain the coding style of the author. Many times this is not the case, but the new code can be easily isolated and questions asked. If you have another module that was created by the new programmer, this provides a point for comparison. A lot of this comes with experience.

I don't know if this is really very helpful to you. After thinking about this for many hours, I concluded that the key to my success in this area has been my exposure to many different code modules from many different programmers over the years. There is really no magic checklist that I use, just good intuition and a good memory. It is not at all a mechanical process. You can use the stuff I noted above as a starting point, but you need a reviewer with extensive experience in the industry and the ability to ask a lot of questions if the review is to be meaningful. Furthermore, as you need to look at 20-25 percent of the code by random sampling, you need adequate time for the reviewer. Many times there is only a small amount of time available for the code review and the reviewer must be a quick study in order to adequately review the required amount of material. I usually plan to spend 2-3 hours near the end of my visits for code review. I also usually like to leave about an hour before I leave to wrap up the visit and discuss any issues that might arise during the code review.

I hope this helps. I'll be out of the office at meetings most of today (Wednesday) and also tomorrow. If you need to talk, leave me a message and I'll get back to you as soon as I can. I will also be home after 7 this evening if you need me.

Hope you are enjoying your trip. Regards to Carol Anne.

PAGE 02 FAX 718-768-4382 STDI

Subj: Roger
Date: 98-01-16 13:20:19 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burt,

1. Your fax recd today, thank you. This is helpful as it helps me to understand the overall strategy, eg integration with Sterling Germany.

A few points:

- There is a reference to a help desk. I should check that out. Perhaps see it. What tools do they use ? Any logs of call completion rates, queues, etc

-There is a reference to a pricelist. I assume someone else is checking whether this is actually used, or do they give discounts.

-The Alliances. How formal ? Is there a contractual document and what does it cover ? Does it survive change of ownership ?

-Incidentally, I have been told that formal SAP accredidation is hard to get, and SAP check rigourously before so awarding. We should whether they have this formal recognition.

-The paper refers extensively to the staffing matters, and integration with SC Germany. Someone else dealing ?

-Roger claims that the customer base is "largely happy". Should we attempt any independent valuation of that ?

-Why did Roger acquire from Lion, and why are they now disposing ?

-The last slide refers to integration with X400 and (European) EDI. Somebody should als worry about Internet integration. There is a trend for Internet e-commerce to replace formal EDI, especially at the lower PC end, which is the bulk of their customer base.

2. I have had a call from LON BAUGH, Director of Taxation at Sterling Corporate. They wish to split the purchase between Sterling BV in Holland and Sterling GmbH in Germany. He has asked if I could also assist with the allocation of the consideration between the two elements, without detracting from my prime task of Technical DD. I think I could do that (I am a Chartered Management Accountant here in the UK). I think the additional work could probably be done back here in UK.

3. No direct contact with Randy yet. I am awaiting him to return my call.

4. Still tracking a suitable programmer. In fact, I have three separate trails on the go, but proving elusive as yet,. Will keep on this rest of today, and over weekend if necessary.

5. Your hand-written note mentions "one page (assetts)". Did you send that ? Cant see it.

6. Availability for discussion, in UK times:

Sat 17 eve
Sun 18 afternoon and eve

Tue 20 afternoon and eve
Wed 21 afternoon
Thu 22 afternoon and eve
Fri 23 evening

If no answer on office phone, pl try mobile 44 850 761471. There are message facilities on both.

7. In view of time zone differences, is email a good way to communicate ?

JOHN

---------- Headers ----------
Return-Path: <101642.2113@compuserve.com>
Received: from relay14.mail.aol.com (relay14.mail.aol.com [172.31.109.14]) by air28.mail.aol.com (v37.8) with SMTP; Fri, 16 Jan 1998 13:20:19 -0500
Received: from dub-img-4.compuserve.com (dub-img-4.compuserve.com [149.174.206.134])
by relay14.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id NAA05323 for <burtgrad@aol.com>;
Fri, 16 Jan 1998 13:20:18 -0500 (EST)
Received: (from root@localhost)
by dub-img-4.compuserve.com (8.8.6/8.8.6/2.10) id NAA13532
for burtgrad@aol.com; Fri, 16 Jan 1998 13:20:16 -0500 (EST)
Date: Fri, 16 Jan 1998 13:09:57 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Roger
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801161318_MC2-2F93-3039@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

Subj: Roger
Date: 98-01-16 13:20:19 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burt,

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-Incidentally, I have been told that formal SAP accredidation is hard to get, and SAP check rigourously before so awarding. We should whether they have this formal recognition

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3. No direct contact with Randy yet. I am awaiting him to return my call.

4. Still tracking a suitable programmer. In fact, I have three separate trails on the go, but proving elusive as yet.. Will keep on this rest of today, and over weekend if necessary.

5. Your hand-written note mentions "one page (assetts)" Did you send that ? Cant see it

6. Availability for discussion, in UK times:

NOT Requested to do so except as it gives us maintenance response

- not ours
- legal responsibility
- yes / also have legal team check this
- yes
- We should remind Davis to have this done; not ours in this case
- only check for technical trail, not business
- good point... OK on it
- This will be my assignment. I told Lon I would probably use you -- in UK.
- follow up - either US or Germany
- Highest priorities
- I sent it but I'll send it again

Sat 17 eve
Sun 18 afternoon and eve

Tue 20 afternoon and eve
Wed 21 afternoon
Thu 22 afternoon and eve
Fri 23 evening

If no answer on office phone, pl try mobile 44 850 761471 There are message facilities on both.

7. In view of time zone differences, is email a good way to communicate ? yes -

JOHN

---------- Headers ----------
Return-Path: <101642.2113@compuserve.com>
Received: from relay14.mail.aol.com (relay14.mail.aol.com [172.31.109.14]) by air28.mail.aol.com (v37.8) with SMTP; Fri, 16 Jan 1998 13:20:19 -0500
Received: from dub-img-4.compuserve.com (dub-img-4.compuserve.com [149.174.206.134])
by relay14.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id NAA05323 for <burtgrad@aol.com>;
Fri, 16 Jan 1998 13:20:18 -0500 (EST)
Received: (from root@localhost)
by dub-img-4.compuserve.com (8.8.6/8.8.6/2.10) id NAA13532
for burtgrad@aol.com; Fri, 16 Jan 1998 13:20:16 -0500 (EST)
Date: Fri, 16 Jan 1998 13:09:57 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Roger
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801161318_MC2-2F93-3039@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

Subj: Project Roger
Date: 98-01-22 13:54:13 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: randy_harvey@stercomm.com (Randy Harvey)
CC: burtgrad@aol.com (Burton Grad)

Randy,

I hope you receive this. I am not sure whether you recd my previous email.

I have also been trying your office by phone , and have left messages there too.

I have now booked air flights, and arranged technical programmer. We need to know:

Full address of "Roger"

Full address of software house

Contact names, telephone nos, maps.

I have a name from Burt, and I will phone him tomorrow morning (Fri), that is CHRISTOPH WEBER. No doubt he can supply all above, and also book local hotel.

Hope to hear from you soon,

JOHN

———————— Headers ————————
Return-Path: <101642.2113@compuserve.com>
Received: from relay21.mail.aol.com (relay21.mail.aol.com [172.31.106.67]) by air15.mail.aol.com (v37.8) with SMTP; Thu, 22 Jan 1998 13:54:13 -0500
Received: from arl-img-5.compuserve.com (arl-img-5.compuserve.com [149.174.217.135])
by relay21.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id NAA24609 for <burtgrad@aol.com>;
Thu, 22 Jan 1998 13:54:11 -0500 (EST)
Received: (from mailgate@localhost)
by arl-img-5.compuserve.com (8.8.6/8.8.6/2.10) id NAA08755;
Thu, 22 Jan 1998 13:54:06 -0500 (EST)
Date: Thu, 22 Jan 1998 13:52:46 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Project Roger
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Randy Harvey <randy_harvey@stercomm.com>
Cc: Burton Grad <burtgrad@aol.com>
Message-ID: <199801221353_MC2-304C-8AF7@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

Author: "Randy Harvey" <Randy_Harvey@ns.stercomm.com> at *INTERNET
Date: 1/20/98 1:55 PM
Priority: Normal
TO: "Burton Grad" <Burton_Grad@ns.stercomm.com> at *INTERNET
BCC: Burton Grad at Corporate
Subject: Details on o.tel.o trip
---------- Message Contents ----------

Burt,

Long time no see, hope things are going well.
Can you forward this to John, I must have a wrong E-Mail address as it came back not delivered

Thanks

Randy
---------- Forwarded by Randy Harvey/Dublin-ISG on 01/19/98 14:04 ----------

Randy Harvey
01/20/98 13:49

To: 101642.2113@compuserv.com
cc: Patrick Davis@Dublin-ISG
Subject: Details on o.tel.o trip

John,

Good talking with you. I called Pat Davis and he will be forwarding you details of where and when. After my meetings with the group I would like to add the following areas for your review:

1) Details on how they install and integrate the Tele-Tiger product. It is my understanding from talking to a Friedhelm Bar that this product actually sits within the SAP environment and provides additional support for rolling up totals for telecommunications bills. Is it written in ABAP, a little history on the consulting company that is developing the product.

2) How much customization is delivered with the Tiger product. A comment was made to me concerning how much do we customize each installation of CENTRAN, when I said we deliver commercial software as a product they wanted to know how we could do that. This usually means they are doing a lot of customization on their product, which they said they do.

3) Can you check into what their R/2 interface into the old SAP system is like and what release of R/2 it supports. We have only built an interface for R/3. Is the R/2 interface built using C-PIC?

4) They talked about an on-going project for a better monitoring system. Where are they at with this project and what exactly does it entail

Thanks

Randy

Subj: Technical Due Diligence
Date: 98-01-20 15:34:43 EST
From: Patrick_Davis@ns.stercomm.com (Patrick Davis)
To: 106142.2113@compuserve.com, Randy_Harvey_AT_Dublin-ISG4@isg-ccmta (Randy Harvey AT Dublin-ISG4)
CC: burtgrad@aol.com, jochen.fuerbeth@o-tel-o.de

TO: John O'Sullivan
cc: Randy Harvey, Burt Grad, Jochen Fuerbeth
FR: Pat Davis
DT: Jan 20, 1998

John--
Your contact for the due diligence details is Mr. Christoph Weber of the o.tel.o Dusseldorf office. His phone is 49-211-5601-3210. He will arrange your visit with the various programmers as well as the 3rd party outside firm
developing TeleTiger. The outside firm is located near Essen, which is accessible by car or train from Dusseldorf.
Christoph is at a Sterling Commerce event for most of this week, so you can also make arrangements through his backup contact Jochen Fuerbeth at 49-6102-701-120.
The above contacts are on the players list I have emailed to you previously.

I understand you and Randy Harvey have updated the due diligence checklist. You can fax the updated list to Jochen or wherever he directs you after you speak with him.
Feel free to call me with any questions.
Thanks,
Pat Davis

---------- Headers ----------
Return-Path: <Patrick_Davis@ns.stercomm.com>
Received: from relay15.mail.aol.com (relay15.mail.aol.com [172.31.106.74]) by air26.mail.aol.com (v37.8) with SMTP; Tue, 20 Jan 1998 15:34:43 -0500
Received: from ns.stercomm.com (ns.stercomm.com [199.3.19.2])
by relay15.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with SMTP id PAA10380 for <burtgrad@aol.com>;
Tue, 20 Jan 1998 15:34:41 -0500 (EST)
Received: ns.stercomm.com
id AA14341; Tue, 20 Jan 1998 15:34:21 -0500
Received: by smtplink.isg.stercomm.com(Lotus SMTP MTA SMTP v4.6 (462.2 9-3-1997)) id 85256592:0070FF06 ; Tue, 20 Jan 1998 15:34:13 -0500
X-Lotus-Fromdomain: DUBLIN-ISG
Return-Receipt-To: Patrick_Davis@ns.stercomm.com
From: "Patrick Davis" <Patrick_Davis@ns.stercomm.com>
To: 106142.2113@compuserve.com
"Randy Harvey AT Dublin-ISG4" <Randy_Harvey_AT_Dublin-ISG4@isg-ccmta>
Cc: burtgrad@aol.com, jochen.fuerbeth@o-tel-o.de
Message-Id: <85256592.0070F60C.00@stercomm.com>
Date: Tue, 20 Jan 1998 15:31:27 -0500
Subject: Technical Due Diligence
Mime-Version: 1.0

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: January 6, 1998

To: Pat Davis

From: Burton Grad

Subject: Due Diligence

I'm all set to proceed with the due diligence study of Roger in Germany.

Geoff McMullen was not available for this assignment (full time job, very busy right now), but he recommended a colleague (John O'Sullivan).

I spoke with O'Sullivan on Jan. 5 (Monday) for 15-20 minutes. He sounds quite knowledgeable and well organized. Attached is a copy of his resume. He looks to be fine. His rate will be $1,500/day, the same as McMullen's.

We will also need to hire a German programmer for 1-2 days (at around $1,000/day) to actually go through the code itself to insure that there are no unpleasant surprises. Both O'Sullivan and McMullen have assured me that they can get a well-qualified programmer in Germany on short notice. We will get someone who can handle C, C++, NT, UNIX and, if possible, SAP R/3 interfaces.

You will need to work on the schedules with O'Sullivan as soon as possible since he has certain commitments. I believe he should be in Dusseldorf 1-1/2 to 2 days. He could be available 1/14, 1/15 and 1/16 or 1/22 P.M., 1/23 and 1/24 (Sat.).

Based on our conversation, I'm proceeding with the arrangements. I'll send him a letter, copying you, regarding the assignment with an appropriate non-disclosure for him to sign (based on what you send me).

I've asked him to contact you directly for dates and local arrangements in Germany; you should arrange for Randy Harvey to identify specific technical questions he will want addressed (besides our "standard" list, which I have enclosed).

Meanwhile, I'll send you a project proposal and prepare an information request letter to the proper person at Roger.

I'll expect an express package on 1/7/98.

JOHN O'SULLIVAN BSc FBCS CEng FCMA

Thames Communications

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

John O'Sullivan is Managing Director of Thames Communications, an independent London based consultancy in Telecommunications and Information Systems strategy and business development. Thames Communications is particularly focused on assisting Telecoms and IT companies to develop their European and global business strategies.

Formerly, he was Director Information Technology at BT, responsible for IS strategy, policies and plans, relating the exploitation of IT to achieve business benefits. He was then seconded to the UK Department of Trade and Industry as Industrial Advisor Telecoms, with particular responsibility for developing and promoting UK strengths in telecoms software.

Before that, he spent over 20 years in Information Systems at British Aerospace, with other responsibilities for Facilities, Business Planning and Human Resources, becoming Personnel and Resources Director at BAe Military Aircraft Ltd.

John is a Council Member of the IT Industry Training Organisation, an Advisory Director of the European Software Institute (in Bilbao), Chairman of the Real Time Club, and a member of PITCOM (Parliamentary IT Committee). Previously, he was Chairman of STARTS (UK industry programme for software process improvement), Vice-Chairman of ETIS (European Telcos IS association), and Council Member of EURIM (a Parliamentary briefing group for European IS matters).

Recent projects have included:

- Informix Software - Business development strategy for European/Global telecoms, and Segment Manager for Data Warehousing in Telecoms
- Opta Consulting - Business Development in Europe
- BT - Entering a new business area
- Thames Valley University - IT strategy, Managing ITT, selection and contracting, Bus devel.
- LondonLink - Project Director of a CBI initiative to create an advanced communications service, involving a major ITT
- ITITO - Study for D/EE into UK infrastructure for IS skills, and creation of *Alliance for Information Systems Skills*
- DTI - Led a £1bn telecoms development project in central China
- Legal & Trade - Interim IT Director, fixing serious supplier and organisation issues

JOHN O'SULLIVAN BSc FBCS CEng FCMA

119 The Avenue Sunbury on Thames Middlesex TW16 5EQ
Tel/Fax 01932 761471 Mobile 0850 706246

Experienced Director with proven track record in very large scale multi-function management: Strategic Planning, IT, Personnel, Facilties. Telecoms and Aerospace industries, with DTI exposure. Planned and managed major change-management programmes. Led industry analysis, national policy and major international business development for UK Telecoms.

Integrating strategic planning, leading teams in business analysis, formulating business plans, implementing major organisational change and cost reduction.

Directing Corporate IT Strategies; Applications, data and technical architectures and operational strategy; Controlling Group-wide large scale systems development, operations and exploitation of business benefits.

Directing the Human Resources function across a multi-site, multi-skilled company, with overseas operations. Executive resource development, workforce rebalancing, employee communications.

Planning, budgeting and controlling extensive property development, facilities, capital investment and all support services.

Understanding of political and public policy processes; public affairs skills.

Internal and external communications, publications, presentations, TV.

QUALIFICATIONS

BSc	Mathematics (Hons 2:1) University College London
FBCS	Fellow of British Computer Society
CEng	Chartered Engineer
FCMA	Fellow, Chartered Institute of Management Accountants

CAREER SUMMARY

1993-95	Industrial Advisor Telecoms	Dept of Trade & Industry
1993-95	Director Corporate Programmes & Infrastructure	BT
1990-93	Director Information Technology	BT
1987-90	Personnel and Resources Director	BAe Military Aircraft Ltd
1986-87	Resources Director	BAe Military Aircraft Div
1984-86	Executive Director Resources & Computing	BAe Weybridge Division
1974-84	Management Services Manager	British Aerospace Kingston
1972-74	Systems Manager	Hawker Siddeley Aviation Kingston
1969-71	Asst Systems Manager-Finance	Hawker Siddeley Aviation Kingston
1966-69	O&M Analyst, Technical Analyst	Hawker Siddeley Group

INDUSTRY BODIES • = current

STARTS	Chairman	UK Industry Programme for Software Process Improvement
ETIS	Vice-Chair	European Telcos IT (Brussels)
ITITO	• Council	Information Technology Industry Training Organisation
EURIM	Council	European Information Markets
ESI	• Advisory Bd	European Software Institute (Bilbao)
BCS	Vice-Chair	London and Kingston Branches
	• Vice-Chair	Real Time Club

PERSONAL British. Age 50. DoB 28/4/45. Married, 3 adult children.

Industrial Advisor Telecoms Dept of Trade & Industry **Aug 93-May 95**

Seconded by BT at Govt request to create national strategy to develop and promote telecoms software as a UK industrial strength.

Developed and published first ever analysis of Telecoms Software sub-sector

Led re-education in Telecoms of Govt export promotion machine

Produced UK Telecoms brochure and directory for worldwide export promotion use

Export promotion in Nordic area, India; led £1b consortium project in China

Launched UK industry programme for Software Process Improvement - STARTS

BT (British Telecom) **Nov 90-May 95**

World's fourth largest telecoms operator. £13bn turnover. 150,000 people. Ambitious customer service, product innovation, employee reduction, international expansion, all exploiting advanced technology.

Director Corporate Programmes and Infrastructure **Apr 93-May 95**

Additional responsibility for programme management of Corporate Research Programme. £55mpa. Defended and rebalanced programme

Director Information Technology **Nov 90-Mar 93**

Responsible for overall strategy for IT throughout BT, working with business Divisions to ensure business benefit, and with IT units providing services. £1b IT spend. 7000 IT staff.

Led business review to create Top 10 business-led applications strategy and applications architecture

Developed technical architecture with European and international collaboration

Drove open-systems strategy and software engineering thrust

Introduced IT planning process, linked to Corporate Strategy/Planning

Led office systems programme in emotional environment, inter-operating numerous disparate systems, and introducing next-generation open-systems facilities

Rationalised PC hardware and software procurement installation and service

Established real IT protection: Security/Disaster/Data Protection

Additional responsibility (June 92) for Corporate Architecture and Standards Programme. £20mpa. Reduced and rebalanced spend.

Obtained ISO 9001 certification for IT Unit at first attempt

BRITISH AEROSPACE MILITARY AIRCRAFT LTD **1966-90**

£3b revenue. 30000 employees. 8 major UK sites. International operations.

Personnel and Resources Director **1987-90**

Accountable at Board level for: business planning and operations strategy; HR function; facilities development / capital investment; IT function.3700 staff.

Planned and led strategic change, resulting in savings of £300m over 6 years through site closures, rationalisation, restructuring, personnel reduction and relocation, leading to re-organisation of the business as subsidiary company

Led business planning processes including mission statement; product strategies; technology, facilities, IT, manpower plans; communicated Plan to all levels

Directed trade union negotiations with far-reaching working practice changes

Initiated and managed capital investment programme of £60mpa, enhancing and modernising sites, buildings and facilities, with appraisal and audit

Sustained and led long-run total integrated applications development programme on a Corporate basis, and steered implementation. IT spend £73mpa, 600 staff.

Resources Director Military Aircraft Division **1986-87**

Completed Weybridge plant closure with transfer of assets from 1.5m sq ft and release of 90 acres for property redevelopment

Consolidated computer centres, switched suppliers, led top-level supplier negotiations on product requirements, prices, and leases

Executive Director Resources & Computing, Weybridge Div **1984-86**

Established the Facilities and IT strategies of new Division of 7 sites with 5 computer centres.

Formulated "The Way Ahead", the first BAe integrated Divisional Plan

Planned and implemented the amalgamation of two major plants

Led the planning of Weybridge closure, with innovative programme of staff redeployment and job creation, to achieve undisrupted relocation of work

Management Services Manager, Kingston **1974-84**

Developed and implemented comprehensive range of advanced aeronautical, manufacturing, financial and commercial systems

Managed the growth of one of the largest UK computer centres: IBM, ICL and DEC

Specified and introduced new telecoms network.

Staff career development from 50-125, pioneering grading and salary structure

Led Divisional Efficiency Improvement Campaign, eliminating 300 jobs.

Systems Manager Hawker Siddeley Aviation, Kingston 1972-74
Asst Systems Manager-Finance 1969-71
Technical Analyst / O&M Analyst 1966-69

Technical Due Diligence Information Request List

A. Development

1. Organization and training of development people
2. Scheduled enhancements/customer commitments
3. Current maintenance activities
4. Current development projects
5. Testing and quality assurance procedures
6. Effort and cost records for development
7. Product release and update procedures
8. Installation procedures
9. Development methodology used

B. Technical Review

1. Supported platforms and systems
2. Major features of the products -
   - functions performed
   - ease of set up, installation and use
   - maintainability
   - audits and controls
   - security features and options
3. Development languages and special tools used
4. Number of programs per product and lines of code
5. Sources of all code modules (ensure no non-licensed code)
6. Inclusion of proprietary notices in source and object modules, both current and previous releases
7. Method of change control
8. Volume and magnitude of change history
9. Number of product releases being supported
10. Structure of the code
11. Internal system documentation level and updates
12. Documentation of specifications and design
13. Prerequisites for running the products (including run-time licenses)
14. Access to source code
15. Access to usage/demo of operational code
16. Unit and system test cases

C. Product Functionality and Quality

1. Interface standards supported and delivered with the product
2. Communications protocols supported
3. International features:
   - Certification with international networks
   - Specific features for international use
   - Is the product "national language enabled"?
4. Any special features for interfacing with other software products?

10 pgs total

1/16/98

To: John O'Sullivan

From: Burt Grad

subject: Roger

Enclosed are selected materials from the SCI acquisition analysis and one page (Assets) from the Letter of Intent.

There is no specific information on ~~SINOS.~~ I SINFOS or other products. There does not appear to be an NT version of TIGER or Teletiger.

Is all the design done by Roger and only programming by HPC?

I'll talk to you soon.

What is your availability for discussions between 1/17 and 1/23?

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

used as model

fax

Date: January 6, 1998

To: Pat Davis

From: Burton Grad B.

Subject: Due Diligence for Roger Acquisition

Attached is the letter I sent to Geoff McMullen for Telstar confidentiality and the letter I asked him to sign. The letter to be signed was prepared by Dennis Byrnes and was similar to the one that I signed.

Please provide me with an equivalent letter for Roger.

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
E-MAIL: BURTGRAD@AOL.COM

Date: January 16, 1997

To: Geoff McMullen

From: Burton Grad

Subject: Telstar Due Diligence

I have received a faxed copy of your signed agreement with BGAI. Thanks.

I have also been asked by Sterling Commerce Inc. (SCI) to have you read the enclosed agreement which SCI signed with Telstar on September 12, 1996.

They request that each of us acknowledge that we have read this confidentiality agreement and will be bound by its provisions as agents of SCI. Therefore, I am requesting you to sign the attached memorandum confirming that you have read this September 12, 1996 document and will be bound by its provisions. Please fax me back a copy of the signed memo and mail the original signed memo to me.

Also enclosed are relevant pages from the information package on Telstar which I have received so far.

I am trying to set up a conference call for January 16 or 17 with SCI for us. When would you be available for a 30-minute to one-hour conference?

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129
(914) 631-1164 FAX

January 16, 1996

Mr. Geoffrey McMullen
11, Mount Park Crescent, Ealing
London W5 2RN
England

Dear Geoffrey:

Please read carefully the enclosed confidentiality letter dated September 12, 1996 addressed to Gilles Hagege, President-Directeur General of Comfirst SA, located in Paris, France.

After your review, please acknowledge that you understand the terms of this letter and agree to be bound as an agent of Sterling Commerce, Inc. (SCI) by these terms of confidentiality. Your signature below will serve as such acknowledgment.

Sincerely,

Burton Grad

cc: Dennis Byrnes, Esq.

Acknowledged and Agreed to:

_____
Signature

_____
Print Name

_____
Date

ITAA

JOHN O'SULLIVAN BSc FBCS CEng FCMA

Thames Communications

+44 (0)1932 761471 Tel/Fax
+44 (0)850 706246 Mobile
101642.2113@compuserve.com
johnosullivan@msn.com

119 The Avenue
Sunbury on Thames
Middlesex TW16 5EQ
UNITED KINGDOM

John O'Sullivan is Managing Director of Thames Communications, an independent London based consultancy in Telecommunications and Information Systems strategy and business development. Thames Communications is particularly focused on assisting Telecoms and IT companies to develop their European and global business strategies.

Formerly, he was Director Information Technology at BT, responsible for IS strategy, policies and plans, relating the exploitation of IT to achieve business benefits. He was then seconded to the UK Department of Trade and Industry as Industrial Advisor Telecoms, with particular responsibility for developing and promoting UK strengths in telecoms software.

Before that, he spent over 20 years in Information Systems at British Aerospace, with other responsibilities for Facilities, Business Planning and Human Resources, becoming Personnel and Resources Director at BAe Military Aircraft Ltd.

John is a Council Member of the IT Industry Training Organisation, an Advisory Director of the European Software Institute (in Bilbao), Chairman of the Real Time Club, and a member of PITCOM (Parliamentary IT Committee). Previously, he was Chairman of STARTS (UK industry programme for software process improvement), Vice-Chairman of ETIS (European Telcos IS association), and Council Member of EURIM (a Parliamentary briefing group for European IS matters).

Recent projects have included:

- Informix Software - Business development strategy for European/Global telecoms, and Segment Manager for Data Warehousing in Telecoms
- Opta Consulting - Business Development in Europe
- BT - Entering a new business area
- Thames Valley University - IT strategy, Managing ITT, selection and contracting, Bus devel.
- LondonLink - Project Director of a CBI initiative to create an advanced communications service, involving a major ITT
- ITTO - Study for D/EE into UK infrastructure for IS skills, and creation of *Alliance for Information Systems Skills*
- DTI - Led a £1bn telecoms development project in central China
- Legal & Trade - Interim IT Director, fixing serious supplier and organisation issues

JOHN O'SULLIVAN BSc FBCS CEng FCMA

119 The Avenue Sunbury on Thames Middlesex TW16 5EQ
Tel/Fax 01932 761471 Mobile 0850 706246

Experienced Director with proven track record in very large scale multi-function management: Strategic Planning, IT, Personnel, Facilties. Telecoms and Aerospace industries, with DTI exposure. Planned and managed major change-management programmes. Led industry analysis, national policy and major international business development for UK Telecoms.

Integrating strategic planning, leading teams in business analysis, formulating business plans, implementing major organisational change and cost reduction.

Directing Corporate IT Strategies; Applications, data and technical architectures and operational strategy; Controlling Group-wide large scale systems development, operations and exploitation of business benefits.

Directing the Human Resources function across a multi-site, multi-skilled company, with overseas operations. Executive resource development, workforce rebalancing, employee communications.

Planning, budgeting and controlling extensive property development, facilities, capital investment and all support services.

Understanding of political and public policy processes; public affairs skills.

Internal and external communications, publications, presentations, TV.

QUALIFICATIONS

BSc	Mathematics (Hons 2:1) University College London
FBCS	Fellow of British Computer Society
CEng	Chartered Engineer
FCMA	Fellow, Chartered Institute of Management Accountants

CAREER SUMMARY

1993-95	Industrial Advisor Telecoms	Dept of Trade & Industry
1993-95	Director Corporate Programmes & Infrastructure	BT
1990-93	Director Information Technology	BT
1987-90	Personnel and Resources Director	BAe Military Aircraft Ltd
1986-87	Resources Director	BAe Military Aircraft Div
1984-86	Executive Director Resources & Computing	BAe Weybridge Division
1974-84	Management Services Manager	British Aerospace Kingston
1972-74	Systems Manager	Hawker Siddeley Aviation Kingston
1969-71	Asst Systems Manager-Finance	Hawker Siddeley Aviation Kingston
1966-69	O&M Analyst, Technical Analyst	Hawker Siddeley Group

INDUSTRY BODIES * = current

STARTS	Chairman	UK Industry Programme for Software Process Improvement
ETIS	Vice-Chair	European Telcos IT (Brussels)
ITITO	* Council	Information Technology Industry Training Organisation
EURIM	Council	European Information Markets
ESI	* Advisory Bd	European Software Institute (Bilbao)
BCS	Vice-Chair	London and Kingston Branches
	* Vice-Chair	Real Time Club

PERSONAL British. Age 50. DoB 28/4/45. Married, 3 adult children.

Industrial Advisor Telecoms Dept of Trade & Industry **Aug 93-May 95**

Seconded by BT at Govt request to create national strategy to develop and promote telecoms software as a UK industrial strength.

Developed and published first ever analysis of Telecoms Software sub-sector

Led re-education in Telecoms of Govt export promotion machine

Produced UK Telecoms brochure and directory for worldwide export promotion use

Export promotion in Nordic area, India; led £1b consortium project in China

Launched UK industry programme for Software Process Improvement - STARTS

BT (British Telecom) **Nov 90-May 95**

World's fourth largest telecoms operator. £13bn turnover. 150,000 people. Ambitious customer service, product innovation, employee reduction, international expansion, all exploiting advanced technology.

Director Corporate Programmes and Infrastructure **Apr 93-May 95**

Additional responsibility for programme management of Corporate Research Programme. £55mpa. Defended and rebalanced programme

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Systems Manager Hawker Siddeley Aviation, Kingston **1972-74**
Asst Systems Manager-Finance **1969-71**
Technical Analyst / O&M Analyst **1966-69**

1/5/98

John O'Sullivan

Consultant - 2yrs

-90 British Aero = 24 yrs
IT, Bus Plng, Fac Mgt
Personal/Mg.

90-95 Dir IT at British Telecom
EDI resp at BT
Dept of Trade and Industry
nat (current in) code --

ETIS - European IS (Vice-Chairman)

Worked for Informix

4-5 days/possible 1/14 - 1/15 - 1/16

1/22 pm - 1/23 - 1/24 (sat)

resume + assignments

$1500/day

technical mgg
language platform

$1000/day
1-2 days

question list
non-disclosure

011-44-1932-761-471 phone/fax (home)
011-44 850-706-246 mobile
email 101642.2113@CompuServe.COM

Subj: Due Diligence
Date: 98-01-06 03:20:57 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Dear Burton,

I trust you received my fax ok. You should also receive this email overnight. As this is our first such email exchange, would you pl acknowledge receipt.

I will telephone you later today as arranged.

JOHN O'SULLIVAN
119 The Avenue
Sunbury on Thames
Tel/Fax 44 1932 761471
Middlesex TW16 5EQ
Mobile 44 850 706246
UK

———— Headers ————
Return-Path: <101642.2113@compuserve.com>
Received: from relay24.mail.aol.com (relay24.mail.aol.com [172.31.106.70]) by air19.mail.aol.com (v37.8) with SMTP; Tue, 06 Jan 1998 03:20:57 -0500
Received: from hil-img-9.compuserve.com (hil-img-9.compuserve.com [149.174.177.139])
by relay24.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id DAA26704 for <burtgrad@aol.com>;
Tue, 6 Jan 1998 03:19:20 -0500 (EST)
Received: (from root@localhost)
by hil-img-9.compuserve.com (8.8.6/8.8.6/2.9) id DAA09119
for burtgrad@aol.com; Tue, 6 Jan 1998 03:20:09 -0500 (EST)
Date: Tue, 6 Jan 1998 03:19:08 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Due Diligence
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801060319_MC2-2E34-3324@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

STERLING COMMERCE

Dennis P. Byrnes
Assistant General Counsel

January 9, 1998

VIA TELECOPIER

Burt Grad
Burt Grad Associates
235 Martling Avenue
Tarrytown, NY 10591

RE: Project Roger

Dear Burt:

Enclosed for your review is a confidentiality agreement between Sterling Commerce and Roger.

All information provided to you and relating to the above-captioned project ("Information"), including the information provided to you prior to the date hereof and provided herein, is confidential information of Sterling Commerce or Roger.

Please acknowledge the confidentiality of the Information and agree to be bound by, and to cause your employees and agents to be bound by, the terms of the confidentiality agreement by signing one copy of this letter and returning it to me.

Thank you for your assistance in this matter. I look forward to working with you.

Sincerely,

Dennis P. Byrnes

Enclosures

4600 Lakehurst Court, P.O. Box 8000, Dublin, OH 43016-2000 U.S.A. 1-614-791-3727 Fax 1-614-718-1510

Acknowledged and Agreed To:

Burton Grad for

BURTON GRAD for BURTON GRAD Associates, Inc
[Print Name]

January 12, 1998
[Date]

MUTUAL CONFIDENTIALITY AGREEMENT

between

o.tel.o communications GmbH & Co.
Am Bonneshof 35, 40474 Düsseldorf, Germany

and

Sterling Commerce, Inc.
4600 Lakehurst Court, Dublin, OH 43016-2000

Preamble

It is the intention of the parties to discuss and evaluate a possible business transaction concerning a division of o.tel.o communications GmbH & Co.

For this purpose, the parties will need to reveal certain confidential information (hereinafter „Information") to each other. It is the desire of the parties to prevent wrongful or unauthorized use or disclosure of this Information. Therefore, in consideration of the premise and the mutual covenants contained in this agreement, the parties agree as follows:

1. The parties agree that any Information directly or indirectly received from the other party in connection with the above project will be treated confidentially as hereinafter agreed. Such confidential treatment requires that the Information received form the other party (i) will not be disclosed to any third party and (ii) will not be used for any purpose other than as necessitated by the objective stated in the Preamble. Any use beyond this scope, and any disclosure to a third party, requires the prior written consent of the disclosing party. However, disclosure to affiliated companies or to advisers shall be permitted without such explicit, written consent, provided the disclosure is necessitated by the project and further provided any such recipient has first agreed in writing to comply with the confidentiality obligations as stipulated by this Agreement. Each party will treat Information received from the other party with the same degree of care as applied to its own confidential or proprietary Information, and at least with the care afforded by a diligent business partner.

   Notwithstanding the above, each party shall be entitled to fulfil information requests to the extent required by law.

2. The confidentiality obligation shall not apply with respect to Information that

   - is known to the recipient without restrictions regarding confidentiality prior to receipt from the other party, or
   - is publicly available at the time of disclosure, or thereafter becomes publicly available other than through a breach of this Agreement, or
   - is lawfully and without confidentiality obligations obtained from a third party.

3. This Agreement becomes binding as of the date the Agreement has been signed by both parties. The confidentiality obligations arising out of this Agreement shall remain effective for a term of three (3) years, notwithstanding any earlier termination of the project described in the Preamble.

4. The parties agree that no grant of a license or other authorization to use shall be connected to the disclosure of Information under this Agreement. Neither party shall be entitled to act as an agent or in any other capacity for the other party. The establishment of any obligations between the parties beyond the scope of this Agreement shall require an explicit, written agreement. In no event shall either party or its respective representatives be liable to the other party for any indirect, incidental or consequential damages *(Folgeschäden)* whatsoever arising from or related to any breach of this Agreement or the evaluation of the other party, its products or business beyond a maximum amount of DM (Deutsche Mark) 5 million.

5. Any modification of or amendment to this Agreement shall be invalid unless made in writing. This Agreement shall be governed by the laws of Germany, without reference to its provisions on the Conflict of Laws. Any claims or disagreements arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the Commercial Court of Düsseldorf (Landgericht, Kammer für Handelssachen).

Düsseldorf, dated 5/12 ,1997 Dublin, dated Dec 9 ,1997

o.tel.o communications GmbH & Co. Sterling Commerce, Inc.

STERLING COMMERCE

FAX attached to Dennis Byrnes with cover

FAX

To:	**Burt Grad**	From:	**Dennis Byrnes**
Company:	**Burt Grad Associates**	Phone:	**614/791-5727**
Phone:	**914/631-1129**	Fax:	**614/718-1510**
Fax:	**914/631-1164**	Date:	**January 9, 1998**
Number of pages:	**5**	Time:	**3:52 PM**

Comments:

Also fax attached Due Diligence ck list with post it.

B.

R ←

Pls fax the attached 4 pages to John O'Sullivan and ask him to sign and return only the Signature Sheet.

When he returns it, put it in with the fax copy and fax it to Dennis Byrnes.

I'll fax my copy to Dennis.

Thank.

B.

This fax is intended only for the use of the addressee. This fax contains information which we intended to send to the addressee only. In any event, if you are not the intended recipient of the fax, you are hereby notified that you have received this fax inadvertently and in error. Any review, dissemination, distribution or copying of this fax is strictly prohibited. If you have received this fax in error, please immediately notify us by telephone and return the original fax to us at the address below via the United States Postal Service. We will reimburse any out-of-pocket costs you incur in notifying us and in returning the fax to us. Thank you in advance for your cooperation.

Sterling Commerce, 8080 North Central Expressway, Suite 1100, Dallas, TX 75206-1895 214-891-8680 Fax 214-750-0905

Subj: Re: Clayton CV
Date: 98-01-20 15:16:22 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burt,

My responses to your points are:

* Sounds ok from key skills
AGREED.

* Is very young with limited work experience
AGE 27 SEEMS OK TO ME. C++ IS LIKELY TO BE A YOUNGER MAN'S GAME.

* U. K. location is a negative (not a stopper)
AGREED.

* German language skill is probably a "must"
HE DESCRIBES AS "A BIT RUSTY, CONVERSATIONAL".

* We are running out of time
AGREED.

* Should we contact SCI-Germany or SCI-France to identify qualified third-party programmer (without disclosing project)?
YES. GOOD IDEA - BUT SEE BELOW. I HAVE SPOKEN TO RANDY TODAY,
WHO TOLD ME THAT SCI
HAVE AN OFFICE IN DOWNTOWN DUSSELDORF.
SO THAT WOULD BE MORE ECONOMICAL,
AND COULD BE USEFUL WITH LOCAL KNOWLEDGE.
IN ANY CASE, IT WOULD BE GOOD TO HAVE ANOTHER OPTION.

* Any other candidates?
NO. GEOFF MCMULLEN HAS NOT COME BACK WITH ANY.
MY OTHER SOURCE HAS REPORTED BACK NEGATIVE.
C AND C++ SKILLS ARE IN SHORT SUPPLY AND HIGH DEMAND.
HENCE DIFFICULT TO GET FOR SHORT JOBS.
EVEN CLAYTON IS STILL WORKING FOR IBM,
AND PROPOSES TO ESCAPE FOR ONE DAY.

I have spoken to Clayton today. He is comfortable that he can do it.
He is willing to travel out to D on Sunday (as I will),
so that he can have a full day out there.
Return to UK Monday evening as he is not available Tuesday.
I think one day should be enough.

Price would be 500 UK pounds, plus travel/hotel expenses.
That's about 800 USD.

I have not committed any of this.
He understands that I am awaiting approval.
I have said I would try to get back to him tonight if poss,
but otherwise asap.

Is it likely that SCI Germany could come up with someone?

If you or Randy can let me know who to talk to, then
I could progress that directly with them in the morning.
(They will be closed for the day by now).
But we could only keep Clayton on hold for 24 hours, 48 max.

I am at home this evening if you would like to discuss.
+44 1932 761471

JOHN

———————— Headers ————————
Return-Path: <101642.2113@compuserve.com>
Received: from relay20.mail.aol.com (relay20.mail.aol.com [172.31.106.66]) by air09.mail.aol.com (v37.8) with SMTP; Tue, 20 Jan 1998 15:16:21 -0500
Received: from hil-img-7.compuserve.com (hil-img-7.compuserve.com [149.174.177.137])
by relay20.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id PAA15923 for <burtgrad@aol.com>;
Tue, 20 Jan 1998 15:16:18 -0500 (EST)
Received: (from mailgate@localhost)
by hil-img-7.compuserve.com (8.8.6/8.8.6/2.10) id PAA06952
for burtgrad@aol.com; Tue, 20 Jan 1998 15:16:17 -0500 (EST)
Date: Tue, 20 Jan 1998 15:13:53 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Re: Clayton CV
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801201515_MC2-3005-7AE8@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

John:

* Sounds ok from key skills
* Is very young with limited work experience
* U. K. location is a negative (not a stopper)
* German language skill is probably a "must"
* We are running out of time
* Should we contact SCI-Germany or SCI-France to identify qualified third-party programmer (without disclosing project)?
* Any other candidates?

Burt

Subj: Clayton CV
Date: 98-01-16 15:54:33 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burt,

Here is the first prospective programmer. Seems very well qualified UK based , so there would be travel costs.

I am now checking:
availability for 26/27
German language
price

JOHN

CURRICULUM VITAE

Peter Anthony Clayton

Date of Birth: 5th March 1970 Nationality: British

Address: 6A Annandale Street
Edinburgh
EH7 4AN
0131 557 9704

e-mail: ped_man@hotmail.com mobile: 0468 538710

Education:

Ermysteds Grammar School,
Skipton, N.Yorkshire 9 'O' Levels,
3 'A' Levels,
1 'AS' Level

University of St. Andrews 2.1 BSc. Hons
Astronomy, Astrophysics and Physics

Key Skill List:

C, C++, MFC, Visual C++, VisualAge C++, CSet++, Java, JavaBeans, x86 assembler,
HTML, threads, WWW, OOA, OOD, SQL, DB2, SQLServer, Oracle, CLI, ODBC, JDBC,
TCP/IP, Sockets, OS/2 API, Windows 3.x,95,NT API,Unix, AIX, Lotus Notes,
Client-Server, RTC, embedded systems, data warehousing, Psion OPL.

Carol - pls e mail this note to O'Sullivan.
B.

~~John~~

- Sounds OK from Key skills
- ~~[illegible]~~ is very young & with limited work experience
- UK location is a negative (not a stopper)
- German language skill is probably a "must"
- We're running out of time
- should we contact SCI-Germany or SCI-France to identify qualified 3rd party programmer (without disclosing project)?
- any other candidates?

B.
1/20/98

Subj: Roger
Date: 98-01-09 06:46:28 EST
From: 101642.2113@compuserve.com (John O'Sullivan)
Sender: 101642.2113@compuserve.com (John O'Sullivan)
To: burtgrad@aol.com (Burton Grad)

Burton,

I have countersigned and mailed the engagement letter back to you.

JOHN

———————— Headers ————————
Return-Path: <101642.2113@compuserve.com>
Received: from relay32.mail.aol.com (relay32.mail.aol.com [172.31.109.32]) by air18.mail.aol.com (v37.8) with SMTP; Fri, 09 Jan 1998 06:46:28 1900
Received: from hil-img-2.compuserve.com (hil-img-2.compuserve.com [149.174.177.132])
by relay32.mail.aol.com (8.8.5/8.8.5/AOL-4.0.0)
with ESMTP id GAA07909 for <burtgrad@aol.com>;
Fri, 9 Jan 1998 06:45:44 -0500 (EST)
Received: (from mailgate@localhost)
by hil-img-2.compuserve.com (8.8.6/8.8.6/2.9) id GAA01876
for burtgrad@aol.com; Fri, 9 Jan 1998 06:45:44 -0500 (EST)
Date: Fri, 9 Jan 1998 05:41:01 -0500
From: "John O'Sullivan" <101642.2113@compuserve.com>
Subject: Roger
Sender: "John O'Sullivan" <101642.2113@compuserve.com>
To: Burton Grad <burtgrad@aol.com>
Message-ID: <199801090645_MC2-2EA1-8BF7@compuserve.com>
MIME-Version: 1.0
Content-Transfer-Encoding: 7bit
Content-Type: text/plain; charset=us-ascii
Content-Disposition: inline

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

FAX TRANSMISSION: 5 pages

Date: January 14, 1998

To: Dennis Byrnes

From: Burton Grad

Subject: Roger Due Diligence Confidentiality Agreements

Attached is a copy of my signed agreement. We will fax John O'Sullivan's to you as soon as we receive it from him. (We faxed him a copy to sign on 1/12/98; we have not yet received it. We left him a phone message today, and are waiting for a response.)

We will have one signed by the programmer when he is selected.

We will mail the originals as soon as we can.

Dennis P. Byrnes
Assistant General Counsel

January 9, 1998

VIA TELECOPIER

Burt Grad
Burt Grad Associates
235 Martling Avenue
Tarrytown, NY 10591

RE: Project Roger

Dear Burt:

Enclosed for your review is a confidentiality agreement between Sterling Commerce and Roger.

All information provided to you and relating to the above-captioned project ("Information"), including the information provided to you prior to the date hereof and provided herein, is confidential information of Sterling Commerce or Roger.

Please acknowledge the confidentiality of the Information and agree to be bound by, and to cause your employees and agents to be bound by, the terms of the confidentiality agreement by signing one copy of this letter and returning it to me.

Thank you for your assistance in this matter. I look forward to working with you.

Sincerely,

Dennis P. Byrnes

Enclosures

4600 Lakehurst Court, P.O. Box 8000, Dublin, OH 43016-2000 U.S.A. 1-614-791-3727 Fax 1-614-718-1510

MUTUAL CONFIDENTIALITY AGREEMENT

between

o.tel.o communications GmbH & Co.
Am Bonneshof 35, 40474 Düsseldorf, Germany

and

Sterling Commerce, Inc.
4600 Lakehurst Court, Dublin, OH 43016-2000

Preamble

It is the intention of the parties to discuss and evaluate a possible business transaction concerning a division of o.tel.o communications GmbH & Co.

For this purpose, the parties will need to reveal certain confidential information (hereinafter „Information") to each other. It is the desire of the parties to prevent wrongful or unauthorized use or disclosure of this Information. Therefore, in consideration of the premise and the mutual covenants contained in this agreement, the parties agree as follows:

1. The parties agree that any Information directly or indirectly received from the other party in connection with the above project will be treated confidentially as hereinafter agreed. Such confidential treatment requires that the Information received form the other party (i) will not be disclosed to any third party and (ii) will not be used for any purpose other than as necessitated by the objective stated in the Preamble. Any use beyond this scope, and any disclosure to a third party, requires the prior written consent of the disclosing party. However, disclosure to affiliated companies or to advisers shall be permitted without such explicit, written consent, provided the disclosure is necessitated by the project and further provided any such recipient has first agreed in writing to comply with the confidentiality obligations as stipulated by this Agreement. Each party will treat Information received from the other party with the same degree of care as applied to its own confidential or proprietary Information, and at least with the care afforded by a diligent business partner.

   Notwithstanding the above, each party shall be entitled to fulfil information requests to the extent required by law.

2. The confidentiality obligation shall not apply with respect to information that

   - is known to the recipient without restrictions regarding confidentiality prior to receipt from the other party, or
   - is publicly available at the time of disclosure, or thereafter becomes publicly available other than through a breach of this Agreement, or
   - is lawfully and without confidentiality obligations obtained from a third party.

3. This Agreement becomes binding as of the date the Agreement has been signed by both parties. The confidentiality obligations arising out of this Agreement shall remain effective for a term of three (3) years, notwithstanding any earlier termination of the project described in the Preamble.

4. The parties agree that no grant of a license or other authorization to use shall be connected to the disclosure of information under this Agreement. Neither party shall be entitled to act as an agent or in any other capacity for the other party. The establishment of any obligations between the parties beyond the scope of this Agreement shall require an explicit, written agreement. In no event shall either party or its respective representatives be liable to the other party for any indirect, incidental or consequential damages *(Folgeschäden)* whatsoever arising from or related to any breach of this Agreement or the evaluation of the other party, its products or business beyond a maximum amount of DM (Deutsche Mark) 5 million.

5. Any modification of or amendment to this Agreement shall be invalid unless made in writing. This Agreement shall be governed by the laws of Germany, without reference to its provisions on the Conflict of Laws. Any claims or disagreements arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the Commercial Court of Düsseldorf (Landgericht, Kammer für Handelssachen).

Düsseldorf, dated 5/12 ,1997 Dublin, dated Dec 9 ,1997

o.tel.o communications GmbH & Co. Sterling Commerce, Inc.

Acknowledged and Agreed To:

BURTON GRAD for BURTON GRAD Associates, Inc
[Print Name]

January 12, 1998
[Date]

H:\Corres-DPB\1998\01\grad.burton 1-9-98.doc

Acknowledged and Agreed To:

_____

_____

[Print Name]

_____

[Date]

Acknowledged and Agreed To:

JOHN O'SULLIVAN
[Print Name]

14 JANUARY 1998
[Date]

H:\Carlos-DPB\1998\01\grad.burt-ta 1-9-98.doc

BURTON GRAD ASSOCIATES, INC.
235 MARTLING AVENUE
TARRYTOWN, NEW YORK 10591
(914) 631-1129 FAX: (914) 631-1164
CC:MAIL BURTON GRAD@CORPORATE

Date: February 3, 1998

To: Dennis Byrnes

From: Burton Grad

Subject: Roger Due Diligence

Enclosed is a copy of the signature page for the Roger mutual confidentiality agreement signed by John O'Sullivan and by Peter Clayton who were the UK consultants I used on the Roger due diligence work.

Acknowledged and Agreed To:

JOHN O'SULLIVAN
[Print Name]

14 JANUARY 1998
[Date]

P.A. CLAYTON

25 JANUARY 1998

STERLING COMMERCE

FAX COVER SHEET

24 Frank Lloyd Wright Drive, P.O. Box 305, Lobby B, Ann Arbor, MI 48106-0305
Phone Number: 313/930-3200 Fax Number: 313/930-3201

TO: Burt Grad

COMPANY:

FAX #: (914) 631-1164

FROM: Pat Davis

DATE: 1/6/98

MESSAGE:

Burt –

1.) Dennis will fax you the letter for John directly.

2.) Enclosed is the LOI.

3.) I spoke with John, and I will fax him and you Randy Harvey's list of questions this week. John will go onsite ~~[illegible]~~ (Jan 26-27.)

Thanks!

Pat