

The Catalyst!

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Mission Statement

Catalyst! cat*a*lyst (kat'l-ist) n.- 1: that which instigates an acceleration of forces, 2: something that causes important events to happen 3: an agent who provokes or speeds significant change or action! The Mission of Catalyst House is to be an extraordinary agent of change and acceleration for its growing portfolio of clients, fomenting new ventures, wealth, and philanthropic influence while actualizing planetary equilibrium!

Who-What?

Catalyst House (CAT), a Springboard Capital affiliate, is an international strategic teaming agency. Services that CAT performs for its clients include introductions to business opportunities, buyer and distributor relations, introduction of prospective strategic partners, affiliates, broker/dealers and market makers, and the arrangement of debt, equity, and hybrid business finance. CAT is dedicated to building, expanding, and maintaining global markets for small and medium-sized enterprises with an emphasis on emerging technologies and sustainable enterprise. CAT provides its clients with solution, product and service alliances that ensure a leadership position in the targeted industry(s).

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1. Barter, The New Old Currency

by Lynnea Bylund

Many developing countries with little or no access to money and banking that have commonly traded raw materials, such as iron for chickens, or grain for coffee, may soon have the opportunity to participate in a global economy that uses a common platform and unit of exchange. The result could lead to a more equitable "universal currency" that is trade-based and backed by commodities such as real goods and services. So what is this latest development in global commerce called? Something very old and familiar to humankind - Barter.

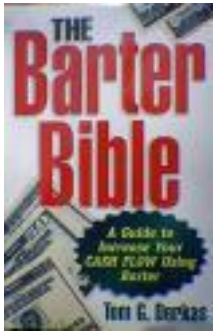


People have been bartering since the dawn of history. Practiced and perfected long before currency, the exchange of products and/or services without using money is the oldest form of commerce

and is arguably one of the most enabling forces of civilization. Barter enables people to undertake tasks best suited to their abilities and to do so in a cooperative and mutually beneficial manner.

Although the creation of money as we know it today has long since displaced it as the central mechanism for economic transactions, barter remains a viable method of trading goods and services. The United States Department of Commerce estimates that 20 percent of the world's \$10.9 trillion total trade is conducted through barter, a global transaction value of approximately \$2.2 trillion annually. The International Reciprocal Trade Association estimates that in the United States alone more than 450,000 companies currently barter, generating over \$10 billion in annual sales. The Association predicts that within a decade, 1.2 million North American businesses will barter, pushing sales upward to more than \$30 billion a year.

Barter Comes Full Circle



“We’re coming full circle back to barter,” says Mohan Sawhney, professor of electronic commerce and technology at Northwestern University’s Kellogg Graduate School of Management. “This could be the death of currency.”

In August of this year, the world’s economic leaders met for an annual policy conference in Jackson Hole, Wyoming. Alan Greenspan was there, as were the heads of the central banks of Britain, Japan, and 26 other countries. One of the attendees, Mervyn King, Deputy Governor of the Bank of England, ruminated on the impact of electronic commerce and the future of money

“There is no reason products and services could not be swapped directly by consumers and producers through a system of direct exchange--essentially a massive barter economy. All it requires is some commonly used unit of account and adequate computing power to make sure all transactions could be settled immediately. People would pay each other electronically, without the payment being routed through anything that we would currently recognize as a bank. Central banks in their present form would no longer exist--nor would money.”

Old Meets New

Despite the magnitude of the market, barter has traditionally been conducted without the benefit of fully integrated technology and without a common currency and liquidity. Until recently, transactions have been highly unsophisticated, often manual and requiring onerous user involvement. The market itself has been hugely fragmented, with literally thousands of separate barter and trade exchanges mostly isolated from one another.

A new form of barter has now evolved from the US small business sector. Known as a trade exchange, it’s a proven, effective way to conduct business without the use of cash. Now used worldwide by some 600,000 companies aggregately, it has recently taken on an international bent by increasing its availability from three countries ten years ago to a present 23 countries. This method of trading is more sophisticated and versatile because it’s multi-lateral.

Barter Meets Dot.com

The Internet presents an all-new opportunity to streamline the creation, communication, facilitation and management of non-monetary transactions on a global platform. The Internet combines low-cost communication with high computing power to enable complicated, high-volume, real-time multi-lateral transactions. Within the last year barter on the Internet has appeared and promises to take the industry to the next level, as the bartering opportunities for various products and services become increasingly global using this new medium.



“Mervyn King’s vision of the future implementation of direct exchanging - becoming an immense barter economy

- is plausible because all the ingredients necessary for attainment are now at hand with today's enormous and ever-growing computer power. The use of trade units, as a viable universal currency or a medium-of-exchange, is four decades old and utilized in millions of transactions," writes BarterNews' Bob Meyer. "The ubiquitous ness of the internet and its infrastructure should/could enable the development of a massive online electronic barter economy, to complement and expand the off-line barter offices now dotted around the globe."

Publisher Myer continues - "Dot.com companies entering the barter arena will accelerate the phenomena forward. How big will the electronic barter economy ultimately become? Given the projections for U.S. business-to-business e-commerce, which is expected to explode over the next few years reaching \$1.3 trillion in 2003, it is not that far a reach to assume that the creation of an efficient, effective mechanism for barter-commerce will emerge which will allow for the payment and acquisition of goods and services by utilizing one's own products and services."

Indeed, Mr. Myer, not a far reach at all!

(Ed. Note - This was the first in a series of barter-related articles - CAT has thoroughly researched the new-old currency of Barter - CAT clients interested in learning more about the benefits of bartering with goods and services are encouraged to contact CAT's Ms. Bylund)

2. Spotlight on the World Internet Center

The Art of Alliances

by Giannina Lodato Rakoczi

Hope springs eternal at the World Internet Center (The Center) in Palo Alto, California. Located in an upstairs suite at the historic Stanford Barn, The Center hosts a weekly social event on Thursdays from 5 to 7 PM called "the Pub." Aside from sushi and wine provided by The Center at minimal cost to those who attend, the networking that takes place at the Pub offers hope to millions of people.

The Center brings hope by connecting Silicon Valley entrepreneurs, corporate executives and technologists, all wanting to forge a start-up company that will make a mark on today's economy using info-tech such as the Internet. From the business opportunities that develop, the beneficiaries of such opportunities are not just the businessmen putting together the deal. In the long run, the beneficiaries may also include people around the world afflicted with physical malfunctions and illnesses.

The Pub allows people to put together start-up firms of varying interests. Small, narrowly-focused companies such as those concentrating on Life Sciences, soon to be headquartered in Singapore, rely on larger businesses to disseminate their services and capabilities. These larger businesses are called systems integrators.

Visitors to The Center come from as far away as Russia, Iran, Europe, China, Japan, Chile, Brazil, or from as nearby as across the street and within walking distance, as my husband and I do. California's Silicon Valley is the Mecca of high technology -- telecom, video telecom, computers, Internet, e-commerce -- attracting countries wanting to ride the high-tech wave of the future because of its potential for financial gain.

Because people forming a team and working well together as a group make for the success of a new company, the elbow-rubbing they do socially at the Pub is an indication of how things will work out in the long run. People make the deal work, not technology, not ideas, not money but people with those things. If new businesses can speed along medical help for people with all sorts of physical malfunctions, The Center will have achieved a milestone.

The main theme of The Center is to connect its large corporate sponsors such as Amdocs, Deutsche Telekom, HP, IBM, SAP, Sun with information technology expert individuals in the form of a series of focused think-tanks. On

occasion, a nearby high-tech company will present some of its technology to the people at the Pub as well.

It is hard to believe such a sophisticated, practical idea could come from people socializing over wine and sushi, but that is indeed the case. Many future start-up companies in the Silicon Valley will have the World Internet Center and its weekly Pub to thank for their conception.

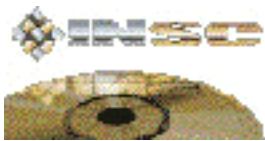
Nibbling on the cheese set before me, my taste for sushi having long since expired, I fulfill my role as a mouse in the boardroom to the max. I overhear conversations of businessmen from the already-mentioned countries exchanging e-mail addresses to further negotiate via the Internet.

The Center has achieved its goal.

Giannina 'Janine' Rakoczi (pictured on the right), is a free-lance technology writer, a director of various tech interests, and wife to CAT Advisory Chair Laszlo (left). Rakoczi - Laszlo is also Advisory Chair to The World Internet Center, which is located on the web @ www.worldinternetcenter.com



3. Client and Affiliate News



A leader in CD copier tools, tech, and hardware, INSC has announced the industry's first DVD duplication units bigger than 4 drives. INSC is currently shipping its DVDCopier-SA15 with 15 drives the first unit has been shipped to the Company's main distributor working with NFL teams. The Company's CDGuardSpray is the first and only way to seal a CD written with ink, and the Company's unique jewel case - CDGuard - begins retail sales in January 2002. INSC is also finalizing several new contracts that integrate CD duplication with document and data digital conversion and indexing utilizing its Robo8600 series copier and RoboRemote software. INSC has identified numerous vertical markets for its cutting-edge line of CD copiers and related products.

CAT has expanded its network of capital formation agencies and partners in recent months -- in addition to Springboard Capital Group, First Charter Investment Corporation, and Delta Venture Partners, CAT has signed new agreements with the following companies:

- **Pan Pacific Partners (PPP)** is a Silicon Valley-based Strategic Investment Banker and a trading, financing and strategic relationships specialist, specializing in assisting companies and other business entities to establish relationships and market services and products throughout the world, and, desires to establish business relationships in the United States and in foreign countries which, by way of example, include but are not limited to the development of strategic relationships, joint ventures, and financial services with other business entities throughout the world.

- **Martello Capital Group** specializes in representing Healthcare IT companies in the US as well as internationally, in relation to their technology, growth and capitalization strategies, strategic partnerships and investment.

- **TSG Capital**, a merger and acquisition consultancy and investment Banker to the information technology and entertainment communities of Washington DC - Silicon Valley - Cleveland, provides specialized investment banking services to the information technology and entertainment communities with a strong focus on bringing maximum value and liquidity to the principals while allowing retention of management control.

Liberty Bloom will give micro-businesses, the largest workforce on the planet, FREE entry-level e-commerce tools combined with the viral-e-mail marketing technologies needed to attract eyeballs, customers and revenues. Today, with the approach of a pervasive Internet, broadband and a mobile phone economy, Liberty Bloom is ready to introduce the embodiment of its vision: A single, extremely efficient, comprehensive "virtual" community

fulfillment package. This technology can be used by the tens of millions of micro-businesses and micro-entertainment entities to “capture, keep and monetize” a niche-base narrowcast audience -- at no initial cost to the micropreneur. One of Liberty’s founders is Sir Bob Geldof, producer of the Live Aid Benefit and the popular Tv show, Survivor. Liberty has also entered into a strategic partnership with CAT to provide viral-marketing components to CAT’s ‘WEBNU’ women business barter system.



Stirling Energy recently christened a Stirling Solar Energy test system at the University of Nevada at Las Vegas.

Adrian Cronauer, CAT’s legal advisor and DC correspondent has accepted an appointment with the Bush Administration. Adrian writes - “My new position will be as special assistant to the director of the Department of Defense’s DPMO (Defense Prisoner of War & Missing



Personnel Office). My office will be in Crystal City, not at the Pentagon, which, under the circumstances, is something for which I’m thankful. As soon as I get my ‘sea legs’ in the new job, I’ll be back in touch. Meanwhile, thanks for your friendship and please say a prayer; I may need it. For that matter, I guess we all do.” Good Morning Pentagon!

CAT settled its years-long dispute and suit to collect outstanding fees due from Extreme-e - although the terms of the settlement are confidential, calling partly for a cash monthly remuneration, it is fact that after just one settlement payment, Extreme-e (now renamed ‘Oridean’) has defaulted. Oridean is CAT’s top contender to win its coveted “Weasel of the Year” award - possibly winning the distinction for a third consecutive year.



CAT rendezvoused with First Charter Investment’s Lynn Rowntree in Las Vegas in October to participate in a whirlwind of meetings that included the owners of Binion’s Horseshoe, the Imperial Palace, Dick and Lynn Foster of Dick Foster Productions (DFP), and Bingo Las Vegas™ - the array of meeting agendas included online gaming capabilities for Las Vegas name-brand casinos, venue for Bingo Las Vegas, and mezzanine-stage capital for DFP

Palm Beach Productions (PBP) - Based on the conventional game of bingo, PBP’s Bingo Las Vegas™ uses the broad reach of television to attract an entire nation of players. The concept represents a new dynamic, a combination of conventional game shows and casino-style Bingo games. It also brings the power of the Internet into play by enabling at-home players to go to our website and download Bingo cards quickly and easily for free. The television calling of Bingo games will allow viewers the enjoyment of playing Bingo in their own homes. More importantly, it will provide the opportunity to win real prizes - from cash to merchandise with absolutely no charge, entry fee or buy-in. PBP anticipates venue set and production started in spring of 2002.

4. The Quarterly Quotations

Kawasaki’s Top 10 Reasons - To Launch Today !

(c) **EcommerceDaily.com October 2, 2001**

SAN JOSE, Calif.--Guy Kawasaki, the CEO of Garage Technology Ventures (formerly Garage.com), says there is no time like the present to start a company. Speaking Monday at the Broadband Home fall conference here, the former Apple Computer evangelist gave his Top 10 reasons for doing so.

1. You cannot get in as much trouble (not as much money to spend)
2. There is much less noise (i.e. competition)
3. Expectations are lower

4. It is easier to recruit
5. It is easier to retain people
6. Rents are cheaper
7. Professional services are more available
8. There is lots of used equipment available
9. Everyone is available for meetings
10. You have to build a stronger company

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