

August 22, 1997

# INTERactive

Media Technologies, Inc.

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

DEPOSIT                      DATE  
**D605**                      **SEP 02 1997**

RE    Application Form For Authority To Provide  
Interexchange Telecommunication Service Within The  
State of Florida

971156-TI

Dear Sir or Madam

Enclosed please find the following items

- Application Form for an original application for a certificate for Authority To Provide Interexchange Telecommunication Service Within The State of Florida (six (6) copies)
- A check in the amount of \$250.00 to pay for the non refundable application fee
- The Interactive Media Technologies, Inc. Tariff No. 1 (six (6) copies) and
- Financials, Articles of Incorporation, and other pertinent financial and <sup>\*</sup>personal information in booklet form

Thank you for your attentions in this matter

Sincerely yours

Steve M. Williams  
President

\* ONE FILED IN ORIGINAL DOCKET FILE

DOCUMENT NUMBER - DATE

**09828 SEP-25**

August 22, 1997

# INTERactive

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Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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97 SEP -1 10 9 327

Thank you for your attentions in this matter

Sincerely yours,

Steve M. Williams  
President

**INTERACTIVE MEDIA TECHNOLOGIES**

5550 GLADES ROAD STE. 409  
BOCA RATON, FL 33431

1098

83-243/870  
700

8-27 19 97

PAY TO THE ORDER OF Florida Public Service Commission

\$ 250.00

Two hundred fifty & 00/100

DOLLARS

**NationsBank**

Bank of Florida, N.A.  
Boca Raton, Florida

FOR Proposed Card To Be Filed

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \***

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM**  
**for**  
**AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE**  
**WITHIN THE STATE OF FLORIDA**

---

**Instructions**

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:

Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6600

- E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6251

1. Select what type of business your company will be conducting (check all that apply):

- ( ) **Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- ( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- ( ) **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- ( ) **Switchless Rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- ( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.
- () **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.



2. This is an application for (check one):
- Original Authority (New company).
  - Approval of Transfer (To another certificated company).
  - Approval of Assignment of existing certificate (To an uncertificated company).
  - Approval for transfer of control (To another certificated company).
3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:
- Interactive Media Technologies Inc.
4. Name under which the applicant will do business (fictitious name, etc.):
5. National address (including street name & number, post office box, city, state and zip code).  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431
6. Florida address (including street name & number, post office box, city, state and zip code):  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431
7. Structure of organization;
- Individual
  - Foreign Corporation
  - General Partnership
  - Other, \_\_\_\_\_
  - Corporation
  - Foreign Partnership
  - Limited Partnership
8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.
- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.
  - (b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: 560556

- (b) Name and address of the company's Florida registered agent. Keith W. V. S. from  
515 East Las Olas Blvd  
Ft. Lauderdale, FL. 33301
- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable. N/A

Fictitious name registration number: \_\_\_\_\_

- (c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been: N/A

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. N/A

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not. No.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

- (a) The application; Steve M. Williams, President  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431  
561-368-2010
- (b) Official Point of Contact for the ongoing operations of the company;  
Steve M. Williams, President  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431  
561-368-2010
- (c) Tariff; Steve M. Williams, President  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431 561-368-2010
- (d) Complaints/Inquiries from customers;  
Gene Williams, V.P.  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431 561-368-2010

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.  
None
- (b) Has applications pending to be certificated as an interexchange carrier.  
None
- (c) Is certificated to operate as an interexchange carrier.  
None
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.  
None
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.  
None
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.  
None

12. What services will the applicant offer to other certificated telephone companies:

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: \_\_\_\_\_

13. Do you have a marketing program?

No.

14. Will your marketing program:

- Pay commissions?  
 Offer sales franchises?  
 Offer multi-level sales incentives?  
 Offer other sales incentives?

N/A

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

N/A

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers.  Business customers.  
 PATS providers.  PATS station end-users.  
 Hotels & motels.  Hotel & motel guests.  
 Universities.  Univ. dormitory residents.  
 Other: (specify) \_\_\_\_\_

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes.

(b) Name and address of the firm who will bill for your service.

Interactive Media Technologies Inc. will do its own billing for services.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**NOTE:** This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

20. The applicant will provide the following interexchange carrier services (Check all that apply):

\_\_\_ MTS with distance sensitive per minute rates  
\_\_\_ Method of access is FGA  
\_\_\_ Method of access is FGB  
\_\_\_ Method of access is FGD  
\_\_\_ Method of access is 800

\_\_\_ MTS with route specific rates per minute  
\_\_\_ Method of access is FGA  
\_\_\_ Method of access is FGB  
\_\_\_ Method of access is FGD  
\_\_\_ Method of access is 800

\_\_\_ MTS with statewide flat rates per minute (i.e. not distance sensitive)

\_\_\_ Method of access is FGA  
\_\_\_ Method of access is FGB  
\_\_\_ Method of access is FGD  
 Method of access is 800

\_\_\_ MTS for pay telephone service providers

\_\_\_ Block-of-time calling plan (Reach out Florida, Ring America, etc.).

\_\_\_ 800 Service (Toll free)

\_\_\_ WATS type service (Bulk or volume discount)  
\_\_\_ Method of access is via dedicated facilities  
\_\_\_ Method of access is via switched facilities

\_\_\_ Private Line services (Channel Services)  
(For ex. 1.544 mbs., DS-3, etc.)

\_\_\_ Travel Service  
\_\_\_ Method of access is 950  
\_\_\_ Method of access is 800

\_\_\_ 900 service

\_\_\_ Operator Services  
\_\_\_ Available to presubscribed customers  
\_\_\_ Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.  
\_\_\_ Available to inmates

**Services included are:**

\_\_\_ Station assistance  
\_\_\_ Person to Person assistance  
\_\_\_ Directory assistance  
\_\_\_ Operator verify and interrupt  
\_\_\_ Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).  
800+ Number, a Personal Identification Number (PIN) and then the destination number.
22. \_\_\_ Other:

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.  
Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

**UTILITY OFFICIAL:**

  
Signature

9-22-97  
Date

Steve M. Williams

President  
Title

561-365-2200  
Telephone No.

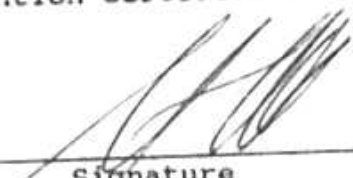


**\*\* APPENDIX A \*\***

**CERTIFICATE TRANSFER STATEMENT**

I, (TYPE NAME) N/A  
(TITLE) \_\_\_\_\_, of (NAME OF COMPANY)  
\_\_\_\_\_, and current  
holder of certificate number \_\_\_\_\_, have reviewed  
this application and join in the petitioner's request for a  
transfer of the above-mentioned certificate.

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature  
Steve M. Williams  
\_\_\_\_\_  
President  
\_\_\_\_\_  
Title

8-22-97  
\_\_\_\_\_  
Date

564-365-240  
\_\_\_\_\_  
Telephone No.

**\*\* APPENDIX B \*\***


**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

The applicant will not collect deposits nor will it collect payments for service more than one month in advance.

The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature

8-22-97  
Date

Steve M. Williams

President

\_\_\_\_\_  
Title

544-368-7010  
Telephone No.

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

1. **POP:** Addresses where located, and indicate if owned or leased. Applicant is reselling the services of other certified carriers and will utilize their POPs.

1) 2)

3) 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

Location: 1) PC based switch, owned 2)  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431

3) 4)

3. **TRANSMISSION FACILITIES:** Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.  
Not Applicable.

1) POP-to-POP                      TYPE                      OWNERSHIP

2)

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).  
All. (Statewide via 800+)

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).  
As a reseller of carrier services, Applicant will use networks of other certificated carriers who comply with EAEA requirements.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not ( X ) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:


a) What services have been provided and when did these services begin?

N/A

b) If the services are not currently offered, when were they discontinued?

N/A

UTILITY OFFICIAL:

  
\_\_\_\_\_  
Signature

8-22-97  
\_\_\_\_\_  
Date

Steve M. Williams  
\_\_\_\_\_  
President

President  
\_\_\_\_\_  
Title

561-368-2810  
\_\_\_\_\_  
Telephone No.

**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES**

**AND**

**EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate. Statewide.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

<u>Extended Service Area</u>	<u>with</u>	<u>These Exchanges</u>
PENSACOLA:		Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
PANAMA CITY:		Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
TALLAHASSEE:		Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
JACKSONVILLE:		Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg Orange Park, Ponte Vedra and Julington.
GAINESVILLE:		Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.
OCALA:		Belleview, Citra, Dunnellon,

Forest Lady Lake (B21),  
McIntosh, Oklawaha,  
Orange Springs, Salt Springs and  
Silver Springs Shores.

DAYTONA BEACH: New Smyrna Beach.

TAMPA: Central None  
East Plant City  
North Zephyrhills  
South Palmetto  
West Clearwater

CLEARWATER: St. Petersburg, Tampa-West and  
Tarpon Springs.

ST. PETERSBURG: Clearwater.

LAKELAND: Bartow, Mulberry, Plant City,  
Polk City and Winter Haven.

ORLANDO: Apopka, East Orange, Lake Buena  
Vista, Oviedo, Windermere,  
Winter Garden,  
Winter Park, Montverde, Reedy  
Creek, and Oviedo-Winter  
Springs.

WINTER PARK: Apopka, East Orange, Lake Buena Vista,  
Orlando, Oviedo, Sanford, Windermere,  
Winter Garden, Oviedo-Winter Springs  
Reedy Creek, Geneva and Montverde.

TITUSVILLE: Cocoa and Cocoa Beach.

COCOA: Cocoa Beach, Eau Gallie,  
Melbourne and Titusville.

MELBOURNE: Cocoa, Cocoa Beach, Eau Gallie  
and Sebastian.

SARASOTA: Bradenton, Myakka and Venice.

FT. MYERS: Cape Coral, Ft. Myers Beach, North Cape  
Coral, North Ft. Myers, Pine Island, Lehigh  
Acres and Sanibel-Captiva Islands.

NAPLES: Marco Island and North Naples.

WEST PALM BEACH: Boynton Beach and Jupiter.

POMPANO BEACH:

Boca Raton, Coral Springs,  
Deerfield Beach and Ft.  
Lauderdale.

FT. LAUDERDALE:

Coral Springs, Deerfield Beach,  
Hollywood and Pompano Beach.

HOLLYWOOD:

Ft. Lauderdale and North Dade.

NORTH DADE:

Hollywood, Miami and Perrine.

MIAMI:

Homestead, North Dade and  
Perrine

**\*\* APPENDIX E \*\***

**\*\* GLOSSARY \*\***

**ACCESS CODE:** The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

**BYPASS:** Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

**CARRIERS CARRIER:** An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

**CENTRAL OFFICE:** A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

**CENTRAL OFFICE CODE:** The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

**COMMISSION:** The Florida Public Service Commission.

**COMPANY, TELEPHONE COMPANY, UTILITY:** These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

**DEDICATED FACILITY:** The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

**END USER:** The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.



**EQUAL ACCESS EXCHANGE AREAS:** EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

**EXCHANGE:** The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

**EXCHANGE (SERVICE) AREA:** The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

**EXTENDED AREA SERVICE:** A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

**FACILITIES BASED:** An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

**FOREIGN EXCHANGE SERVICES:** A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

**FEATURE GROUPS:** General categories of unbundled tariffs to stipulate related services.

**Feature Group A:** Line side connections presently serving specialized common carriers.

**Feature Group B:** Trunk side connections without equal digit or code dialing.

**Feature Group C:** Trunk side connections presently serving AT&T-C.

**Feature Group D:** Equal trunk access with subscription.

**INTEREXCHANGE COMPANY:** means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

**INTER-OFFICE CALL:** A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

**INTRA-OFFICE CALL:** A telephone call originating and terminating within the same central office unit or entity.

**INTRASTATE COMMUNICATIONS:** The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

**INTRA-STATE TOLL MESSAGE:** Those toll messages which originate and terminate within the same state.

**LOCAL ACCESS AND TRANSPORT AREA:** LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

**LOCAL EXCHANGE COMPANY (LEC):** Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

**OPTIONAL CALLING PLAN:** An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

**900 SERVICE:** A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

**PIN NUMBER:** A group of numbers used by a company to identify their customers.

**PAY TELEPHONE SERVICE COMPANY:** Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

**POINT OF PRESENCE (POP):** Bell-coined term which designates the

FORM PSC/CMU 31 (11/95)  
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

**PRIMARY SERVICE:** Individual line service or party line service.

**RESELLER:** An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

**STATION:** A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

**SUBSCRIBER, CUSTOMER:** These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

**SUBSCRIBER LINE:** The circuit or channel used to connect the subscriber station with the central office equipment.

**SWITCHING CENTER:** Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

**TRUNK:** A communication channel between central office units or entities, or private branch exchanges.

ATTACHMENTS:

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES
- E - GLOSSARY

TITLE SHEET

Interactive Media Technologies, Inc.

TARIFF NO. 1

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by Interactive Media Technologies, Inc. ("I.M.T.") with principal offices at 5550 Glades Road - Suite 409, Boca Raton, Florida 33431. This tariff is on file with the Florida Public Service Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

---

ISSUED: August 25, 1997

EFFECTIVE:

ISSUED BY: Steve M. Williams, President  
Interactive Media Technologies, Inc.  
5550 Glades Road - Suite 409  
Boca Raton, Florida 33431

Sheets 1 through 22 inclusive of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original

ISSUED: August 25, 1997

EFFECTIVE:

ISSUED BY: Steve M. Williams, President  
Interactive Media Technologies, Inc.  
5550 Glades Road - Suite 409  
Boca Raton, Florida 33431

TABLE OF CONTENTS

Title Sheet.....1  
Check Sheet.....2  
Table of Contents.....3  
Symbols Sheet.....4  
Tariff Format Sheets.....5  
Section 1 - Technical Terms and Abbreviations.....6  
Section 2 - Rules and Regulations.....9  
Section 3 - Description of Service.....15  
Section 4 - Rates.....20

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SYMBOLS SHEET

- D - Delete Or Discontinue
- I - Change Resulting In An Increase To A Customer's Bill
- M - Moved From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction To A Customer's Bill
- T - Change in Text Or Regulation But no Change In Rate Or Charge

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TARIFF FORMAT SHEETS

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.

C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designed by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the customer's location to a I.M.T. network switching center.

**Authorization Code** - A numerical code, one or more of which are available to a customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the customer for billing purposes.

**Calling Card** - A card issued by the Company, the customer's Local Exchange Company, authorized vendor, or other common carrier which allows the customer to make telephone calls and bill calls to the Calling Card by entering a PIN.

**Card Number** - a multi-digit identifying number which may be printed on each Prepaid Debit Card or Calling Card, which may also be referred to in this tariff as a PIN.

**Company or Carrier** - Interactive Media Technologies, Inc.

**Credit Card Charges** - Prepaid Debit Card purchases, renewals, and other charges that may be billed to Major Credit Cards.

**Customer** - The person, firm, corporation or other entity which orders service and is responsible for both payment of charges due and compliance with the Company's tariff regulations.

**Day** - From 8:00 A.M. up to, but not including, 5:00 P.M. local time Monday through Friday.

**Evening** - From 5:00 P.M. up to, but not including 11:00 P.M. local time Sunday through Friday.

**FLAPSC** - Florida Public Service Commission.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (continued)**

**Holidays** - Interactive Media Technologies, Inc.'s recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Veterans' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day, and Christmas Day.

**Local Exchange Company** - A company which furnishes local exchange telephone service.

**Major Credit Card** - A universally accepted charge card. MasterCard, VISA, Diner's Club International, American Express and Carte Blanche are examples of major credit cards which the Company may accept.

**Night/Weekend** - From 11:00 P.M. up to, but not including, 8:00 A.M. Sunday through Friday and 8:00 A.M. Saturday up to, but not including 5:00 P.M. Sunday.

**PIN(s)** - One or more multi-digit (usually 8 or more) personal identification numbers which have been assigned to a customer to use with a designated 800 number, or other access number, to access the Company's network.

**Prepaid Debit Cards** - A plastic, paper or similar card issued by the Company and/or purchased by a customer which enables the customer to use a preprogrammed number of minutes of the Company's telecommunications service. Each Prepaid Debit Card which represents a customer account, has a PIN and instructions for using the Company's Prepaid Debit Card telecommunications service.

**Prepaid Debit Card Calls** - Calls for which charges are billed to a Prepaid Debit Card and not to the originating or terminating telephone number.

**Private Label Prepaid Debit Card** - A Prepaid Debit Card issued by the Company which carries the name or logo of an organization in addition to the Company's name.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (continued)**

**Renewable Prepaid Debit Card** - A Prepaid Debit Card issued by the Company and used by a customer which allows the customer to add additional minutes of telephone service to the card once the preprogrammed minutes have been used by charging additional preprogrammed minutes to a valid Major Credit Card acceptable to the Company.

**Underlying Carriers** - Those FLAPSC approved telecommunications service providers whose services the Company resells to its customers under the provisions of this tariff.

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of Interactive Media Technologies, Inc.**

Interactive Media Technologies, Inc. facilities are furnished for communications originating at specified points within the State of Florida under terms of this tariff.

Interactive Media Technologies, Inc. operates and maintains the communication services provided hereunder in accordance with the terms and conditions set forth under this tariff. When authorized by the customer, the Company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities to allow connection of a customer's location to the Interactive Media Technologies, Inc. network. The customer shall be responsible for all charges due for such service arrangement.

Interactive Media Technologies, Inc.'s services are provided on a monthly basis unless ordered on a longer time basis, and are available twenty-four hours per day, seven days per week.

**2.2 Limitations**

- 2.2.1 Service is offered subject to the availability of facilities and the provisions of this tariff.
- 2.2.2 Interactive Media Technologies, Inc. reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control, or when the customer is using service in violation of the law or the provisions of this tariff.
- 2.2.3 All services provided under this tariff are directly controlled by Interactive Media Technologies, Inc. and the customer may not transfer or assign the use of service, except with the express consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

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**SECTION 2 - RULES AND REGULATIONS (continued)**

**2.2 Limitations (continued)**

2.2.4 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

**2.3 Liabilities of the Company**

2.3.1 Interactive Media Technologies, Inc.'s liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring due to the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur.

2.3.2 Interactive Media Technologies, Inc. shall be indemnified and held harmless by the customer against:

- (A) Claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over the Company's facilities.
- (B) All other claims arising out of any act or omission of the customer in connection with any service or facility provided by Interactive Media Technologies, Inc.

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**SECTION 2 - RULES AND REGULATIONS (continued)****2.4 Interruption of Service**

- 2.4.1 Credit allowance for the interruption of service which is not due to the Company's testing or adjusting, negligence of the customer, or to the failure of channels or equipment provided by the customer, are subject to the general liability provisions set for in 2.3.1 herein. It shall be the obligation of the customer to notify the Company immediately of any interruption in service for which a credit allowance is desired.

Before giving such notice, the customer shall ascertain that the trouble is not being caused by an action or omission by the customer within the customer's control, or is not due to the wiring or equipment, if any, furnished by the customer and connected to the Company's facilities.

- 2.4.2 For the purposes of credit computation, every month shall be considered to have 720 hours.
- 2.4.3 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.4.4 The customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the fixed monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = A/720 \times B$$

"A" - outage times in hours

"B" - total fixed monthly charge for affected facility

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**SECTION 2 - RULES AND REGULATIONS (continued)****2.5 Suspension-of-Service Guidelines**

Service will be suspended without notice in the following situations:

- 1) The customer obtained service fraudulently; or
- 2) A safety hazard is found on the customer's premises

**2.6 Restoration of Service**

Restoration of service shall be done as quickly as practicable by patching, rerouting, substitution of component parts or pathways, and other means, as determined necessary by the Company.

**2.7 Billing Periods**

If the customer is being billed for service to the home or office, rather than via a Debit Card arrangement as set forth in section 2.12, the customer will receive an itemized statement of account after the 30-day cycle.

**2.8 Understanding Your Statement of Account**

Your statement will outline specific charges or adjustments for Interactive Media Technologies, Inc.'s services incurred and paid for during the preceding 30-day period.

**2.9 Questions About Your Statement of Account**

If the customer has questions about Interactive Media Technologies, Inc.'s charges that may appear on its statement of account, the customer may call the Interactive Media Technologies, Inc. service representative toll free a 1-800-370-4468.

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**SECTION 2 - RULES AND REGULATIONS (continued)****2.10 Special Promotions**

The Company offers no special promotions at this time and anticipates no such promotions in the future.

**2.11 Billing Dispute**

In the event the customer is not satisfied with the Company's resolution of a billing dispute, the customer may make application to the FLAPSC for review and disposition of the matter.

**2.12 Forms of Payment**

At the customer's request, the Company permits the use of approved credit cards to apply for and receive a Debit Card used to access and pay for the Company's telecommunications services. Instead of traditional monthly billing, customers will pay in cash for, or authorize direct billing to their credit cards for purchase of Prepaid Debit Cards that register with up to \$50.00 in credit. Telephone charges will be debited by the Company against this card at the rates set forth in Section 4 herein.

**2.13 Advanced Payments**

The Company reserves the right to collect advanced payments as part of its Prepaid Debit Card service.

**2.14 Responsibility of the Company**

The Company endeavors to provide the best long distance service possible at a fair and competitive price.

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**SECTION 2 - RULES AND REGULATIONS (continued)**

**2.15 Frequency Restrictions**

There are no frequency restrictions.

**2.16 Credit for Incomplete Calls**

There will be no charge assessed to the customer for incomplete calls.

**2.17 Minimum Call Completion Rate**

A customer can expect a call completion rate (number of calls completed/number of calls attempted) of not less than 90% during peak use periods for all Company services.

**2.18 Deposits**

The Company does not require a deposit from the customer.

**2.19 Taxes**

All State and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

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**SECTION 3 - DESCRIPTION OF SERVICE****3.1 Usage Based Services**

The Company's charges are based on the actual usage of the Company's services, in addition to any special features and/or service options, utilized by the customer. Charges begin when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the Local Exchange Company sends a signal to the switch. Charges cease when either party (called or calling) hangs up, unless chained calling is permitted and, in such case, the charges will cease when the calling party hangs up.

**3.2 Long Distance Network Service**

The Company's Long Distance Network Service provides for the non-facilities based, switchless resale of the tariffed Software Defined Network (SDN) Service offered by various Underlying Carriers. This service is a custom designed private telecommunication network that combines the efficiencies and benefits of both switched and private line service to meet the specific requirements of customers needing to communicate between geographic locations within the State. The method of mileage calculation utilized by the Company mirrors that of Bell Communications Research and NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4.

Each service customer is charged individually for each call on a conversation minute basis. Each call is measured and charged at the applicable rate for the initial eighteen (18) second period or fraction thereof, and then at the applicable rate for each additional six (6) second period or fraction thereof. The minimum length of a call is eighteen (18) seconds. See Section 4, Rates, for the applicable rate schedule.

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**SECTION 3 - DESCRIPTION OF SERVICES (continued)****3.2 Long Distance Network Service (continued)**

Dedicated access circuits may be provided and billed by the local exchange company (LEC). Dedicated access channels may be purchased from carriers other than the LEC only in accordance with FLAPSC rules or if the special access channel is jurisdictionally interstate. Charges for the dedicated access channel are determined by the access provider.

**3.3 Debit Card Service**

3.3.1 This service permits use of a Prepaid Debit Card to access and pay for the Company's telecommunications services. Customers may purchase Prepaid Debit Cards directly from the Company or from authorized vendors or at a variety of retail outlets. Prepaid Debit Cards may be issued in denominations ranging from \$1.00 to \$300.00. The Company may issue Private Label Prepaid Debit Cards, as well as Prepaid Debit Cards with a fixed number of preprogrammed minutes and Renewable Prepaid Debit Cards.

3.3.2 Customers obtain the service by dialing an 800 number or other Access Codes to access the Company's network. The customer is prompted by an automated voice response system to enter his/her PIN, and then to enter the terminating telephone number. The Company's processor tracks the call duration from when the call is answered by the Company's processor for rating purposes on a real time basis. Billing for all calls ends when the called party hangs up. The total price of each call, including applicable taxes, is deducted from the prepaid amount on the Prepaid Debit Card. For some cards, when a customer obtains access to the Company's processor, the balance on the card will be announced. A warning tone or message shall be played when sixty (60) seconds or

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**SECTION 3 - DESCRIPTION OF SERVICES (continued)****3.3 Debit Card Service (continued)****3.3.2 (continued)**

less in program minute credit is left on the Prepaid Debit Card. The customer can then complete the call within the time remaining on the Prepaid Debit Card. The customer may also add preprogrammed minutes to a Renewable Prepaid Debit Card by arranging to charge a Major Credit Card on a regular basis.

**3.4 Calling Card Service**

3.4.1 This service permits use of a Calling Card to place calls subject to the terms and conditions of this Tariff. The provisions of Section 3.1, as supplemented or modified herein, are applicable to Calling Card calls. The rates for Debit Cards apply to all Calling Card Calls. If a Calling Card is lost, stolen or its PIN is used without the customer's consent, then all calls charged to the Calling Card, prior to written notification by the customer of the Company, shall be the responsibility and obligation of the customer.

**3.5 Directory Assistance Service**

Directory Assistance Service is provided to assist subscribers in obtaining telephone numbers.

**3.6 Accessing Service**

The service provided by the Company is one way dial in - dial out, multi-point telecommunications services, allowing the customer to originate calls through the network facilities of the Underlying Carriers. Access to the Company may differ dependent upon the type of exchange access service provided by the local exchange telephone company to the Underlying Carriers.

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**SECTION 3 - DESCRIPTION OF SERVICES (continued)****3.7 Availability of Service**

The services provided through the Company are available where equal access and the Billing Systems of its Underlying Carriers are provided.

**3.8 Locations of Service**

The services offered by the Company are to be available statewide, where the long distance services of its Underlying Carriers are available. The services offered by the Company are not intended to be limited geographically.

**3.9 Timing of Calls**

- 3.9.1 Long distance usage charges are based on usage of Interactive Media Technologies, Inc.'s service. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connections.
- 3.9.2 Minimum call duration and usage measurement and rounding for debiting purposes is specified on a per product basis in the rate section of this tariff.
- 3.9.3 There is no charge applied for incomplete calls.

**3.10 Payment of Calls****3.10.1 Late Payment Charges**

Interest charges of 1 1/2% per month may be assessed on all unpaid balances more than thirty (30) days old.

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SECTION 3 - DESCRIPTION OF SERVICES (continued)

3.10 Payment of Calls (continued)

3.10.2 Returned Check Charges

A return check charge of \$20.00 or 5% of the amount of the check, whichever is greater, will be assessed for checks returned for insufficient funds.

3.10.3 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is reestablished for customers who had been disconnected for non-payment.

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**SECTION 4 - RATES****4.1 Long Distance Network Usage Rates**

- 4.1.1 The calls placed through the Company are rated using one of the following schedules. If the total charge includes a fraction of a cent, the fraction is rounded to the next whole cent (i.e., \$2,4671.745 would be rounded to \$2,467.75)
- 4.1.2 Day, Evening and Night rate periods apply to Long Distance Network usage. The rates apply for all days of the week including holidays. The Day rate period is 8:00 A.M. to, but not including, 5:00 P.M., Monday through Friday and 5:00 P.M. to, but not including, 11:00 P.M. Sunday. The Night/Weekend Rate period is 11:00 P.M. to, but not including, 8:00 A.M. Monday through Sunday, all day Saturday, and from 8:00 A.M. to, but not including, 5:00 P.M. Sunday. For New Year's Day (January 1), Independence Day (July 4), Labor Day, Thanksgiving Day and Christmas Day (December 25), the Evening Rate applies.

**4.2 Prepaid Debit Cards**

- 4.2.1 Except to the extent modified in this section, the provisions of Section 4.1 are applicable to Prepaid Debit Card Service.
- 4.2.2 The Company may enter special agreements with certain customers who purchase Prepaid Debit Cards in volume directly from the Company. Discounts on direct purchases will apply to volume purchases.
- 4.2.3 If the Prepaid Debit Card is lost or stolen, the Company has no obligation to replace the Prepaid Debit Card or refund the charges to or remaining value represented by the Prepaid Debit Card. Any time charged or value added to a lost or stolen Prepaid Debit Card is the responsibility of the customer. The Company, upon the written request and the return of the Prepaid Debit Card of the customer, will make refunds for unused balances on Prepaid Debit Cards.

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SECTION 4 - RATES (continued)4.2 Prepaid Debit Cards (Continued)

- 4.2.4 Prepaid Debit Cards may have a stated expiration date, as within the purview of the FLAPSC regulations as promulgated and amended from time to time. Any access to the services available from the Prepaid Debit Card will be suspended when the expiration date occurs.

4.3 Long Distance Network And Card Usage Rates4.3.A Rate Plan #1:4.3.1 Florida Intrastate Intralata Rates (Switched Access)

## 4.3.1.A

	<u>Day</u>		<u>Even</u>		<u>Night</u>	
	<u>INITIAL</u>	<u>ADD'L</u>	<u>INITIAL</u>	<u>ADD'L</u>	<u>INITIAL</u>	<u>ADD'L</u>
	<u>18 SEC.</u>	<u>6 SEC.</u>	<u>18 SEC.</u>	<u>6 SEC.</u>	<u>18 SEC.</u>	<u>6 SEC.</u>
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>	<hr/>		<hr/>		<hr/>	
ALL	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25

4.3.2 Florida Intrastate Interlata Rates

## 4.3.2.A

	<u>Day</u>		<u>Even</u>		<u>Night</u>	
	<u>INITIAL</u>	<u>ADD'L</u>	<u>INITIAL</u>	<u>ADD'L</u>	<u>INITIAL</u>	<u>ADD'L</u>
	<u>18 SEC.</u>	<u>6 SEC.</u>	<u>18 SEC.</u>	<u>6 SEC.</u>	<u>18 SEC.</u>	<u>6 SEC.</u>
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>	<hr/>		<hr/>		<hr/>	
ALL	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25

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SECTION 4 - RATES (continued)4.3.B Rate Plan #2:4.3.1 Florida Intrastate Intralata Rates (Switched Access)

## 4.3.1.A

	<u>Day</u>		<u>Eve</u>		<u>Night</u>	
	INITIAL	ADD'L	INITIAL	ADD'L	INITIAL	ADD'L
	18 SEC.	6 SEC.	18 SEC.	6 SEC.	18 SEC.	6 SEC.
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>	_____		_____		_____	
ALL	\$0.19	\$0.36	\$0.19	\$0.36	\$0.19	\$0.36

4.3.2 Florida Intrastate Interlata Rates

## 4.3.2.A

	<u>Day</u>		<u>Eve</u>		<u>Night</u>	
	INITIAL	ADD'L	INITIAL	ADD'L	INITIAL	ADD'L
	18 SEC.	6 SEC.	18 SEC.	6 SEC.	18 SEC.	6 SEC.
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>	_____		_____		_____	
ALL	\$0.19	\$0.36	\$0.19	\$0.36	\$0.19	\$0.36

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**SECTION 4 - RATES (continued)**4.3.C Rate Plan #3:4.3.1 Florida Intrastate Intralata Rates (Switched Access)

## 4.3.1.A

	<u>Day</u>		<u>Even</u>		<u>Night</u>	
	INITIAL 18 SEC.	ADD'L 6 SEC.	INITIAL 18 SEC.	ADD'L 6 SEC.	INITIAL 18 SEC.	ADD'L 6 SEC.
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>						
ALL	\$0.25	\$0.36	\$0.25	\$0.36	\$0.25	\$0.36

4.3.2 Florida Intrastate Interlata Rates

## 4.3.2.A

	<u>Day</u>		<u>Even</u>		<u>Night</u>	
	INITIAL 18 SEC.	ADD'L 6 SEC.	INITIAL 18 SEC.	ADD'L 6 SEC.	INITIAL 18 SEC.	ADD'L 6 SEC.
	\$	\$	\$	\$	\$	\$
<u>MILEAGE</u>						
ALL	\$0.25	\$0.36	\$0.25	\$0.36	\$0.25	\$0.36

**4.4 Directory Assistance Service**

Interactive Media Technologies, Inc.'s customers will be debited at the following per call charge for each directory assistance call. The directory assistance charge applies to each call regardless of whether the directory assistance bureau is able to furnish the requested telephone number.

Per Call Charge: \$0.80

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**SECTION 4 - RATES (continued)****4.5 Exemptions and Special Rates****4.5.1 Directory Assistance for Handicapped Persons:**

There shall be no charge for up to fifty calls per billing cycle from lines or trunks serving handicapped individuals. The Company shall charge the prevailing tariff rates for every call in excess of fifty within a billing cycle.

**4.5.2 Hearing and Speech Impaired Persons:**

Intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

**4.5.3 Telecommunications Relay Service:**

For intrastate toll calls received from the relay service, the Company will when billing relay calls discount relay service calls by fifty percent (50%) off of the otherwise applicable rate for a voice nonrelay call except that where either the calling or called party indicates that either party is either both hearing and visually impaired, the call shall be discounted sixty percent (60%) off of the otherwise applicable rate for a voice nonrelay call. The above discounts apply only to time-sensitive elements of a charge for the call and shall not apply to per call charges such as a credit card surcharge.

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**ISSUED:** August 25, 1997**EFFECTIVE:**

**ISSUED BY:** Steve M. Williams, President  
Interactive Media Technologies, Inc.  
5550 Glades Road - Suite 409  
Boca Raton, Florida 33431

INTERACTIVE MEDIA TECHNOLOGIES, INC.  
Financial Projections

1997

1997

	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Sales</b>													
Int'l Call Back	208,000	226,000	244,000	262,000	280,000	298,000	316,000	334,000	352,000	370,000	388,000	406,000	3,584,000
Prepaid Int'l Card	5,000	7,000	9,000	13,720	19,208	26,891	37,646	52,707	73,289	103,305	144,627	202,478	596,174
Int'l Travel Card	5,000	6,500	8,450	12,985	14,281	18,565	24,134	31,374	40,787	53,022	68,929	89,608	371,635
Total Sales	218,000	239,500	262,250	286,705	313,489	343,456	377,782	418,081	466,576	526,328	601,557	698,086	4,751,809
<b>Costs</b>													
Int'l Call Back	126,880	137,860	148,840	159,820	170,800	181,780	192,760	203,740	214,720	225,700	236,680	247,660	2,247,240
Prepaid Int'l Card	3,050	4,270	5,978	8,369	11,717	16,404	22,965	32,151	45,012	63,016	89,223	123,512	424,666
Int'l Travel Card	3,050	3,965	5,155	6,701	8,711	11,324	14,722	19,138	24,880	32,344	42,047	54,661	226,697
Total Costs	132,980	146,095	159,973	174,890	191,228	209,508	230,447	255,029	284,611	321,060	366,950	425,833	2,898,603
<b>IMT Gross Profit</b>	85,020	93,405	102,278	111,815	122,261	133,948	147,335	163,052	181,965	205,268	234,607	272,254	1,853,205
<b>IMT Expenses</b>													
<b>Payroll &amp; Benefits</b>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Administrative	1,200	1,200	1,200	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	21,600
Office	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	86,400
Sales & Marketing	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Operations	8,000	8,000	8,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	82,500
Programming	6,870	6,870	6,870	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	80,550
Payroll & Benefits	29,770	29,770	29,770	28,860	28,860	28,860	28,860	28,860	28,860	28,860	28,860	28,860	349,050
<b>SCA</b>													
Accounting	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Advertising	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Bank/Credit Card	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office & Postage	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Outside Labor	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Rent & Utilities	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Telephone	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Travel & Enter	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total SCA	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500	294,000
Total IMT Expenses	54,270	54,270	54,270	53,360	53,360	53,360	53,360	53,360	53,360	53,360	53,360	53,360	643,050
<b>IMT Operating Income</b>	30,750	39,135	48,008	58,455	68,901	80,588	93,975	109,692	128,605	151,908	181,247	218,894	1,210,155
<b>Taxes</b>	12,300	15,654	19,203	23,882	27,560	32,235	37,590	43,877	51,442	60,753	72,499	87,557	484,062
<b>Net Income</b>	18,450	23,481	28,805	35,073	41,340	48,353	56,385	65,815	77,163	91,145	108,748	131,336	726,093

## INTERACTIVE MEDIA TECHNOLOGIES, INC.

## Financial Projections

	1998												1998
	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Sales</b>													
Int'l Callback	430,000	454,000	478,000	502,000	526,000	550,000	574,000	598,000	622,000	646,000	670,000	694,000	6,744,000
Prepaid Int'l Card	212,602	223,232	234,394	246,114	258,419	271,340	284,907	299,153	314,110	329,816	346,307	363,622	3,384,016
Int'l Travel Card	94,088	98,793	103,732	108,919	114,365	120,083	126,087	132,392	139,011	145,962	153,260	160,923	1,497,517
<b>Total Sales</b>	<b>736,691</b>	<b>776,025</b>	<b>816,126</b>	<b>857,033</b>	<b>898,784</b>	<b>941,424</b>	<b>984,995</b>	<b>1,029,544</b>	<b>1,075,122</b>	<b>1,121,778</b>	<b>1,169,567</b>	<b>1,218,545</b>	<b>11,625,533</b>
<b>Costs</b>													
Int'l Callback	262,300	276,940	291,580	306,220	320,860	335,500	350,140	364,780	379,420	394,060	408,700	423,340	4,113,840
Prepaid Int'l Card	129,687	136,172	142,980	150,129	157,636	165,518	173,793	182,483	191,607	201,188	211,247	221,809	2,064,250
Int'l Travel Card	57,394	60,264	63,277	66,441	69,763	73,251	76,913	80,759	84,797	89,037	93,489	98,163	913,547
<b>Total Costs</b>	<b>449,381</b>	<b>473,375</b>	<b>497,837</b>	<b>522,790</b>	<b>548,258</b>	<b>574,268</b>	<b>600,847</b>	<b>628,022</b>	<b>655,824</b>	<b>684,284</b>	<b>713,436</b>	<b>743,312</b>	<b>7,091,636</b>
<b>IMT Gross Profit</b>	<b>287,309</b>	<b>302,650</b>	<b>318,289</b>	<b>334,243</b>	<b>350,526</b>	<b>367,155</b>	<b>384,148</b>	<b>401,522</b>	<b>419,297</b>	<b>437,493</b>	<b>456,131</b>	<b>475,233</b>	<b>4,533,997</b>
<b>IMT Expenses</b>													
<b>Payroll &amp; Benefits</b>													
Administrative	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Office	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Sales & Marketing	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
Operations	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Programming	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Payroll & Benefits	16,950	16,950	16,950	16,950	16,950	16,950	16,950	16,950	16,950	16,950	16,950	16,950	203,400
<b>Total Payroll</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>73,450</b>	<b>881,400</b>
<b>SG&amp;A</b>													
Accounting	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Advertising	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Bank/Credit Card	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Insurance	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Legal	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Office & Postage	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Outside Labor	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
Rent & Utilities	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Telephone	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
Travel & Enter	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
<b>Total SG&amp;A</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>38,500</b>	<b>462,000</b>
<b>Total IMT Expenses</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>111,950</b>	<b>1,343,400</b>
<b>IMT Operating Income</b>	<b>175,359</b>	<b>190,700</b>	<b>206,339</b>	<b>222,293</b>	<b>238,576</b>	<b>255,205</b>	<b>272,198</b>	<b>289,572</b>	<b>307,347</b>	<b>325,543</b>	<b>344,181</b>	<b>363,283</b>	<b>3,190,597</b>
<b>Taxes</b>	<b>70,144</b>	<b>76,280</b>	<b>82,536</b>	<b>88,917</b>	<b>95,430</b>	<b>102,082</b>	<b>108,879</b>	<b>115,829</b>	<b>122,939</b>	<b>130,217</b>	<b>137,672</b>	<b>145,313</b>	<b>1,276,239</b>
<b>Net Income</b>	<b>105,216</b>	<b>114,420</b>	<b>123,804</b>	<b>133,376</b>	<b>143,146</b>	<b>153,123</b>	<b>163,319</b>	<b>173,743</b>	<b>184,408</b>	<b>195,326</b>	<b>206,509</b>	<b>217,970</b>	<b>1,914,358</b>

INTERACTIVE MEDIA TECHNOLOGIES, INC.  
Financial Projections

1999

1999

	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Sales</b>													
Int'l Callback	721,000	748,000	775,000	802,000	829,000	856,000	883,000	910,000	937,000	964,000	991,000	1,018,000	10,434,000
Prepaid Int'l Card	399,984	419,983	440,982	463,032	486,183	510,432	536,017	562,818	590,959	620,507	651,532	684,108	6,366,597
Int'l Travel Card	177,015	185,806	195,160	204,918	215,153	225,922	237,218	249,079	261,532	274,609	288,340	302,756	2,817,577
Total Sales	1,297,999	1,353,889	1,411,142	1,469,949	1,530,346	1,592,414	1,656,235	1,721,896	1,789,491	1,859,116	1,930,877	2,004,865	19,618,174
<b>Costs</b>													
Int'l Callback	439,810	456,280	472,750	489,220	505,690	522,160	538,630	555,100	571,570	588,040	604,510	620,980	6,364,740
Prepaid Int'l Card	243,990	256,190	268,999	282,449	296,572	311,400	326,970	343,319	360,485	378,509	397,434	417,306	3,883,624
Int'l Travel Card	107,979	113,378	119,047	125,000	131,250	137,812	144,703	151,938	159,535	167,512	175,887	184,681	1,718,722
Total Costs	791,780	825,848	860,797	896,669	933,511	971,372	1,010,303	1,050,357	1,091,590	1,134,061	1,177,832	1,222,968	11,967,086
IMT Gross Profit	506,220	528,001	550,345	573,280	596,835	621,041	645,931	671,540	697,902	725,055	753,040	781,897	7,651,088
<b>IMT Expenses</b>													
<b>Payroll &amp; Benefits</b>	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Administrative	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Office	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Sales & Marketing	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Operations	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Programming	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	262,800
Payroll & Benefits	94,900	94,900	94,900	94,900	94,900	94,900	94,900	94,900	94,900	94,900	94,900	94,900	1,138,800
Total Payroll													
<b>SG&amp;A</b>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Accounting	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Advertising	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Bank/Credit Card	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Insurance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Legal	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Office & Postage	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
Outside Labor	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Rent & Utilities	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000
Telephone	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Travel & Enter	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	660,000
Total SG&A	149,900	149,900	149,900	149,900	149,900	149,900	149,900	149,900	149,900	149,900	149,900	149,900	1,798,800
Total IMT Expenses													
IMT Operating Income	356,320	378,101	400,445	423,380	446,935	471,141	496,031	521,640	548,002	575,155	603,140	631,997	5,852,288
Taxes	142,528	151,241	160,178	169,352	178,774	188,457	198,413	208,656	219,201	230,062	241,256	252,799	2,340,915
Net Income	213,792	226,861	240,267	254,028	268,161	282,685	297,619	312,984	328,801	345,093	361,884	379,198	3,511,373

## INTERACTIVE MEDIA TECHNOLOGIES, INC.

## Financial Projections

	1996 Totals	1997 Totals	1998 Totals
<b>Sales</b>			
Int'l Callback	3,684,000	6,744,000	10,434,000
Prepaid Int'l Card	696,174	3,384,016	6,366,597
Int'l Travel Card	371,635	1,497,617	2,817,577
Total Sales	4,751,809	11,625,633	19,618,174
<b>Costs</b>			
Int'l Callback	2,247,240	4,113,840	6,364,740
Prepaid Int'l Card	424,666	2,064,50	3,883,624
Int'l Travel Card	226,697	913,547	1,716,722
Total Costs	2,898,603	7,091,636	11,967,086
IMT Gross Profit	1,853,205	4,533,997	7,651,088
<b>IMT Expenses</b>			
Payroll & Benefits			
Administrative	60,000	120,000	180,000
Office	21,600	42,000	48,000
Sales & Marketing	86,400	96,000	144,000
Operations	18,000	120,000	144,000
Programming	62,500	300,000	360,000
Payroll & Benefits	80,550	203,400	262,800
Total Payroll	349,050	881,400	1,138,800
<b>SG&amp;A</b>			
Accounting	12,000	30,000	60,000
Advertising	12,000	36,000	48,000
Bank/Credit Card	12,000	24,000	36,000
Insurance	12,000	24,000	36,000
Legal	12,000	24,000	36,000
Office & Postage	12,000	24,000	48,000
Outside Labor	90,000	96,000	108,000
Rent & Utilities	24,000	48,000	72,000
Telephone	84,000	108,000	144,000
Travel & Enter	24,000	48,000	72,000
Total SG&A	294,000	462,000	660,000
Total IMT Expenses	643,050	1,343,400	1,798,800
IMT Operating Income	1,210,155	3,190,597	5,852,288
Taxes	484,062	1,276,239	2,340,915
Net Income	726,093	1,914,358	3,511,373











# ***INTERactive***

MEDIA TECHNOLOGIES, INC.

(a Florida corporation)

## **CONFIDENTIAL PRIVATE OFFERING MEMORANDUM**

**200 UNITS**

**EACH UNIT CONSISTING OF 5,000 SHARES OF COMMON STOCK**

**PURCHASE PRICE: \$10,000 PER UNIT**

**MINIMUM PURCHASE: ONE UNIT**

Interactive Media Technologies, Inc., a Florida corporation (the "Company"), is, subject to the terms and conditions set forth in this Confidential Private Offering Memorandum (the "Memorandum" and, together with the exhibits hereto, the "Offering Documents"), offering to persons who qualify as "accredited investors" (as hereinafter defined), and up to 35 persons who are not accredited investors, and who otherwise meet certain suitability standards, shares of Common Stock, par value \$01 per share, of the Company (the "Common Stock"), in Units (the "Units") of 5,000 shares of Common Stock, at \$10,000 per Unit. Offers are being made solely of Units. Fractional Units may not be offered or sold without the authorization of the Company. The maximum aggregate size of this offering is 200 Units or \$2,000,000. The Offering Documents have been prepared on a confidential basis solely for the benefit of a limited number of qualified and suitable investors for use in connection with this offering. The Offering Documents are not to be copied, reproduced, circulated or redistributed in any manner.

**THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.**

An investment in the securities offered hereby is speculative and involves a high degree of risk. A prospective investor should not invest in these Securities unless he or she is able to withstand the loss of his or her entire investment. See "RISK FACTORS".

There is no market for the Units nor can there be any assurance that such a market will develop at any time in the future. Further, the securities offered hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. See "RISK FACTORS".

Investors will be required to represent that they meet certain suitability and financial requirements and that they have read and understood the terms, provisions and risks of this offering and the Offering Documents.

	<b>Purchase Price</b>	<b>Proceeds to Company</b>
Per Unit	\$ 10,000	\$ 10,000 minimum
Total Maximum	\$ 2,000,000	\$ 2,000,000 minimum

*Revised August 1, 1995 with Audited Financials through December 31, 1994*

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THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR NOT LAWFUL, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, INVESTMENT OR TAX ADVICE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN ADVISORS AS TO LEGAL, INVESTMENT, TAX AND RELATED MATTERS AND CONSIDERATIONS CONCERNING AN INVESTMENT BY SUCH PROSPECTIVE INVESTORS IN THE COMPANY OR ITS SECURITIES.

## INVESTOR NOTICES

THE INFORMATION CONTAINED IN THIS MEMORANDUM IS CONFIDENTIAL AND PROPRIETARY TO THE COMPANY AND IS BEING SUBMITTED TO PROSPECTIVE INVESTORS SOLELY FOR SUCH INVESTORS' CONFIDENTIAL USE IN EVALUATING THIS OFFERING WITH THE EXPRESS UNDERSTANDING THAT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY, SUCH PERSON WILL NOT RELEASE THIS DOCUMENT OR DISCUSS THE INFORMATION CONTAINED HEREIN OR MAKE REPRODUCTIONS OF OR USE THIS MEMORANDUM FOR ANY PURPOSE OTHER THAN EVALUATING A POTENTIAL INVESTMENT IN THE SECURITIES OF THE COMPANY. IN THE EVENT A PROSPECTIVE INVESTOR WHO IS FURNISHED WITH OFFERING DOCUMENTS DOES NOT INVEST IN THE SECURITIES OFFERED HEREBY FOR ANY REASON, SUCH PROSPECTIVE INVESTOR AGREES TO RETURN PROMPTLY THE OFFERING DOCUMENTS TO THE COMPANY AT THE FOLLOWING ADDRESS: INTERACTIVE MEDIA TECHNOLOGIES, INC., 5550 GLADES ROAD, SUITE 409, BOCA RATON, FLORIDA 33431, ATTENTION: STEVEN M WILLIAMS, PRESIDENT.

THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART FOR ANY REASON OR FOR NO REASON, OR TO ALLOT TO ANY SUBSCRIBER LESS THAN THE NUMBER OF UNITS SUBSCRIBED FOR. THE MAXIMUM NUMBER OF UNITS OFFERED HEREBY IS 200 (WITH 5,000 SHARES OF COMMON STOCK PER UNIT).

DIRECTORS, OFFICERS AND EXISTING SHAREHOLDERS OF THE COMPANY AND THEIR AFFILIATES MAY PURCHASE UNITS PURSUANT TO THIS OFFERING.

THE COMPANY HAS AGREED TO GRANT TO EACH OFFEREE AND/OR HIS, HER OR ITS REPRESENTATIVE(S), PRIOR TO THE SALE OF ANY UNITS HEREUNDER, THE OPPORTUNITY TO REVIEW ADDITIONAL DOCUMENTS AND INFORMATION AND TO ASK QUESTIONS OF, AND TO RECEIVE ANSWERS FROM, THE COMPANY OR ITS REPRESENTATIVES CONCERNING THE COMPANY, ITS BUSINESS, THE TERMS AND CONDITIONS OF THIS OFFERING OR ANY OTHER RELEVANT MATTER, AND TO SUPPLY ANY ADDITIONAL INFORMATION NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN, TO THE EXTENT THAT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. EACH PROSPECTIVE INVESTOR IS URGED TO MAKE OR UNDERTAKE SUCH PERSONAL INVESTIGATION. IN CONNECTION WITH ANY SUCH INQUIRY, ANY DOCUMENTS WHICH ANY OFFEREE WISHES TO REVIEW WILL BE MADE AVAILABLE FOR INSPECTION AND COPYING OR PROVIDED, UPON REQUEST, SUBJECT TO THE OFFEREE'S AGREEMENT TO MAINTAIN SUCH INFORMATION IN STRICT CONFIDENCE AND TO RETURN THE SAME TO THE COMPANY IF THE RECIPIENT DOES NOT PURCHASE THE SECURITIES OFFERED HEREUNDER. ANY SUCH INQUIRIES OR REQUESTS FOR ADDITIONAL INFORMATION OR DOCUMENTS SHOULD BE MADE TO THE COMPANY AS FOLLOWS: INTERACTIVE MEDIA TECHNOLOGIES, INC., 5550 GLADES ROAD, SUITE 409, BOCA RATON, FLORIDA 33431, ATTENTION: STEVEN M WILLIAMS, PRESIDENT, (407) 368-2010.



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## JURISDICTIONAL NOTICES AND REPRESENTATIONS

### Florida Residents

THESE UNITS HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON EXEMPTION PROVISIONS CONTAINED THEREIN. ANY SALE MADE PURSUANT TO SUCH EXEMPTION PROVISIONS IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT. A WITHDRAWAL WITHIN SUCH THREE DAY PERIOD WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS SET FORTH IN THIS MEMORANDUM, INDICATING HIS INTENTION TO WITHDRAW.

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### Maryland Residents

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New Jersey Residents

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Tennessee Residents

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Alaska Residents

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North Carolina Residents

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## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY AND THE OFFERING	1
SUBSCRIPTION PROCEDURES	6
DESCRIPTION OF SECURITIES	6
USE OF PROCEEDS	8
DILUTION	10
CAPITALIZATION	11
THE COMPANY	12
CERTAIN BUSINESS TRANSACTIONS	13
INDUSTRY TRENDS	15
PRODUCTS, SERVICES AND BUSINESS OF THE COMPANY	15
MANAGEMENT	25
CERTAIN STOCK TRANSACTIONS	30
CERTAIN BENEFICIAL OWNERSHIP	32
OPTIONS TO PURCHASE STOCK	34
DETERMINATION OF OFFERING PRICE	36
INVESTOR SUITABILITY	36
RISK FACTORS	37
FINANCIAL STATEMENTS	37
ADDITIONAL INFORMATION	42
<b>EXHIBITS AND SUBDOCUMENTS</b>	
EXHIBIT A - FINANCIAL STATEMENTS	
EXHIBIT B - ARTICLES OF INCORPORATION	
EXHIBIT C - RESTATED BY-LAWS	
EXHIBIT D - SUBSCRIPTION DOCUMENTS	

telco's or de-regulated businesses operating voice mail and virtual phone services. This system allows mass message storage and retrieval capabilities. The **Calling/Debit Card Platform** provides call switching, transferring and rating services for calling card and debit card processing. Platforms can be sold outright or licensed for royalties. IMT's Platforms are more versatile and provide lower cost solutions when compared to mainframe suppliers such as IBM, Unysis, Octel, Intervice, Boston Technologies and others.

Platform operators utilize IMT's applications generator called **"QuickScript"** to develop customized call processing applications. "QuickScript" is a powerful Windows-based program with a sophisticated Graphical User Interface (GUI) that uses icons to provide non-engineers with *"drag and drop"* features to create custom telephony applications quickly and easily.

IMT has developed several telecommunications based **Services**. IMT's **Services** are fully developed applications such as "International Call-back", "IMTV", "BIDtv", "Telettery", Voice-mail/Virtual phone and Debit Card/Calling Card services (described below). All **Services** must operate on IMT Platforms.

IMT generates its revenue from several types of revenue streams defined as **"Buyout"** and **"Residual"** licensees. A "Buyout" licensee remits a one time, full price license payment for the use of IMT's Platform technology and pays small (in comparison with "Residual" licensees) annual residual support payments. A "Residual" licensee pays a minimal one time license fee and remits a larger monthly percentage of gross revenues than a "Buyout Licensee".

IMT has three Platforms installed to date and four foreign "Residual" licensees (located in Boca Raton, Florida, Sao Paulo and Brasilia, Brazil). IMT also has several other Platforms and **Services** coming on line in 1995 including its own service bureau in Brazil. IMT plans to expand its base of "Buyout" and "Residual" licensees to increase its revenues and market position and to implement additional systems in several countries over the next few years.

In addition to its primary objective of supplying lower cost call processing technology to large telco-type users, IMT also markets a telecommunications **Service** under the trade name of GlobalTel (**"GTEL"**). GTEL is an international long distance service provider offering unrestricted Internet and standard long distance access on a worldwide basis. GTEL's competitive advantage is that it operates by using a unique method of redirecting the origination point of international calls to the United States, regardless of where the call

## SUMMARY AND THE OFFERING

### The Company

Interactive Media Technologies, Inc. ("IMT" or the "Company") develops and licenses PC-based, telephone call processing technology featuring voice, fax and data, storage and retrieval, switching and related database systems. The Company's base of advanced call processing technology operates enhanced telephone services using digital and analog telephone lines. The Company specializes in creating this technology for T-1 (U.S. standard 1.544 Mbps) and E-1 (European standard 2.048 Mbps) telephone circuits. IMT markets its technology primarily to domestic and foreign telco's, service bureaus and de-regulated telecommunications businesses requiring such mass call processing capabilities utilized for enhanced telecommunications services as opposed to plain old telephone service or POTS lines.

The Company produces three configurations of high quality, PC-based systems that conduct generalized and specialized telephony functions. Each system is created by combining third party voice processing and telephone line interface components compatible with the MVIP (Multiple Vendor Interface Protocol) standard. MVIP is a newly created and revolutionary standard that allows system developers to create their own system designs using various components developed by other MVIP (open architecture) manufacturers. The standard provides MVIP compliant developers with a competitive edge over larger competitors by allowing them to select components made by hundreds of MVIP compliant manufacturers. This allows developers to integrate the best MVIP compliant component available instead of having to develop and manufacture all components necessary to create a working system. Each IMT system contains a low cost but high performance front end call processing system connected over a high-speed network to a highly sophisticated, "real time" voice/billing SQL Server database(s) running under the Windows NT operating system.

The IMT systems are defined as "**Platforms**". The Platforms are based on a modular architecture and can be sized from 2 lines (analog) to 24 lines (T-1) and 30 lines (in the case of E-1). Each Platform is expandable up to 12,000 channels or lines. IMT's Platforms consist of three types of telephone call processing systems that perform specialized functions, **General Interactive, Voice-Mail and Calling/Debit Card**. IMT's **General Interactive Platform** is designed for use by call processing service bureaus and allows callers to navigate using a touchtone or rotary phone to listen to pre-recorded, digitized information such as news, sports, weather, entertainment, etc. The **Voice Mail Platform** is designed for use by



telco's or de-regulated businesses operating voice mail and virtual phone services. This system allows mass message storage and retrieval capabilities. The **Calling/Debit Card Platform** provides call switching, transferring and rating services for calling card and debit card processing. Platforms can be sold outright or licensed for royalties. IMT's Platforms are more versatile and provide lower cost solutions when compared to mainframe suppliers such as IBM, Unysis, Octel, Intervoice, Boston Technologies and others.

Platform operators utilize IMT's applications generator called "**QuickScript**" to develop customized call processing applications. "QuickScript" is a powerful Windows-based program with a sophisticated Graphical User Interface (GUI) that uses icons to provide non-engineers with "*drag and drop*" features to create custom telephony applications quickly and easily.

IMT has developed several telecommunications based **Services**. IMT's **Services** are fully developed applications such as "International Call-back", "IMTV", "BIDtv", "Telelottery", Voice-mail/Virtual phone and Debit Card/Calling Card services (described below). All Services must operate on IMT Platforms.

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IMT has three Platforms installed to date and four foreign "Residual" licensees (located in Boca Raton, Florida, Sao Paulo and Brasilia, Brazil). IMT also has several other Platforms and Services coming on line in 1995 including its own service bureau in Brazil. IMT plans to expand its base of "Buyout" and "Residual" licensees to increase its revenues and market position and to implement additional systems in several countries over the next few years.

In addition to its primary objective of supplying lower cost call processing technology to large telco-type users, IMT also markets a telecommunications Service under the trade name of GlobalTel ("**GTEL**"). GTEL is an international long distance service provider offering unrestricted Internet and standard long distance access on a worldwide basis. GTEL's competitive advantage is that it operates by using a unique method of redirecting the origination point of international calls to the United States, regardless of where the call

originated from, to access the low calling rates offered by the de-regulated long distance industry in the U.S. The Company operates GTEL with a Section 214 FCC approval received in 1994. The Section 214 license granted by the FCC is required in order to become a legally authorized and sanctioned reseller of switched public telephone service.

IMT also markets a new type of low cost public pay phone which utilize "smart debit cards". The phones and cards are marketed on an exclusive basis to the U.S., Mexico, Dominican Republic and Costa Rican telephone companies. The phones rely on the use of a recently patented process developed in Brazil, called "Inductive Technology". The technology is utilized to produce the least expensive method of manufacturing "smart" debit cards. The "Smart Cards" are essentially computer chips with the monetary values imprinted as an inductive matrix within the card. When a caller uses a smart phone and card to make a call, the phone debits the card as the call progresses by emitting an electromagnetic pulse which destroys one of 104 matrices in the card. This prevents re-use or recharging and fraud. Another advantage of the phone is that it utilizes the electricity generated from the phone line itself and does not require an outside power source. While relatively unknown in the U.S., some countries utilize pre-paid debit phones and cards (as opposed to coin phones) as a way to pay for telephone calls, especially developing countries that typically experience high inflationary pressures. In Brazil where the card was developed, the card printing company alone generates over \$40,000,000 in sales. IMT plans to introduce the lower cost phones and "smart cards" to telephone companies that may also be interested in the Company's other technology as well as its debit card platform.

"IMTV Musiquest" ("IMTV") is an interactive music video request line Service originally used by ABC Radio Network and other broadcasters and currently being utilized by MTV Brazil ("MTV") an international Viacom licensee. The Service lets callers select music videos and receive verification of the play time. The system also has a popular call-out dedication feature. The Service is an on and off-air revenue generator which also supplies valuable viewer data. IMT plans to expand its "IMTV" Service throughout Latin America, Europe, Japan and Singapore and other music video broadcasts in foreign countries. Pay-per-call billing service is utilized to generate revenue from the callers producing approximately a \$1.00 per minute profit to be shared between IMT and the broadcaster. The Company estimates substantial cash flows and profits from this Service beginning in 1995.



"BIDtv"<sup>TM</sup> ("BIDtv"), is a televised interactive auction Service somewhat similar to the format of existing home shopping channels. Through BIDtv, viewers will have the opportunity to participate in a real-time mass media auction using their touchtone phone. BIDtv is currently being tested and is not yet promoted and in real use.

RSA Comercio e Servicos de Teleinformatica Ltda. ("RSA") is an IMT Platform operator and Residual Services Licensee located in Sao Paulo, Brazil. IMT was previously a 25% shareholder of RSA and recently returned its ownership in return for monthly royalty payments based on gross revenues. RSA operates pay per call 800-900 and voice mail services and had 1994 revenues exceeding \$2,000,000.

Barcelona Global Import, Export and Representation, LTDA, is an IMT Platform operator and Residual Services Licensee located in Brasilia, Brazil. IMT receives monthly royalty payments based on gross revenues. Barcelona operates pay per call/900 services and is a new Licensee since May 1995.

The Company

IMT was originally incorporated as a Florida corporation on June 18, 1991, and operated as RadioActive Radio Network, Inc., for three years while developing and operating interactive telephone technology primarily for use on ABC Radio Network and Superadio Network. The Company changed its name on December 3, 1993, to Interactive Media Technologies, Inc. to reflect its expansion into the telecommunications industry. For various considerations regarding the business of the Company, see "RISK FACTORS."

Securities Being Offered

The securities being offered hereby are the Common Stock, par value \$ 01 per share, of the Company, offered in Units of 5,000 shares of Common Stock per Unit. Each Unit is being offered at a price of \$10,000. Fractional Units may be sold with the Company's prior authorization. The maximum aggregate size of this offering is 200 Units (or 1,000,000 shares of Common Stock). Following the offering, Units will have no significance, and the purchaser(s) thereof will be, and will be deemed, solely the holders of the shares of Common Stock comprising such Units.

Securities Outstanding

As of May 31, 1995, the Company had approximately 144 shareholders, holding 164 certificates representing 2,637,754 shares of its common stock. There is only one class of stock. Upon completion of this offering, assuming the offering is fully subscribed (i.e., all 200 Units are sold), the Company will have 3,490,362 shares of Common Stock issued and outstanding, not including 910,700 shares covered by options granted to management. The

Company's articles of incorporation authorize 5,000,000 shares of Common Stock. See "DESCRIPTION OF SECURITIES". Offerings of additional shares of Common Stock may be made in the future.

Use of Proceeds

If the offering is fully subscribed, the Company will have received gross proceeds of \$2,000,000.

Net proceeds will be approximately \$1,838,000 (92%). This reflects \$162,000 of expenses relating to the offering.

\$1,184,000 of such net proceeds will be used by the Company for development and marketing efforts, business development and general working capital purposes, \$30,000 for office rent and deposit, approximately \$300,000 will be used for purchasing additional computers, peripheral hardware and third party software development, \$324,000 will be used for discharging payables and retiring certain debt of the Company (includes approximately \$289,000 in loans from shareholders). See "USE OF PROCEEDS".

Eligible Investors

The securities offered hereby are being offered and will be sold to "accredited investors" as such term is defined in Regulation D promulgated under the Securities Act and up to 35 non-accredited investors. See "INVESTOR SUITABILITY".

Risk Factors

The securities offered hereby are highly speculative, involve a high degree of risk and should not be purchased by anyone who cannot afford the loss of his entire investment. Prospective investors should carefully review and consider the factors and considerations set forth under "Risk Factors", as well as the other information contained in the Offering Documents. See "RISK FACTORS".

Non-Transferability

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. See "RISK FACTORS".

## SUBSCRIPTION PROCEDURES

Enclosed for prospective investors are certain documents for use in subscribing for the Units. In order to subscribe for the Units, a prospective investor must complete, execute and deliver to the Company the following documents:

1. The Subscription Agreement, with the signature page appropriately completed,
2. One original of the appropriate Confidential Purchaser Questionnaire,
3. A check made payable to "**Interactive Media Technologies, Inc.**, for the amount required to purchase the number of Units subscribed for. The check should be sent with the Subscribers Questionnaire and Subscription Agreement completed and signed.

All proceeds received from subscribers for the Units offered hereby will be deposited into the Company's operating account. The Company reserves the right to accept or reject any subscription or portion thereof, or to reallocate Units in the event of an oversubscription of Units. Any potential investor whose subscription is not accepted will have the funds returned to him or her, without interest, promptly after his or her subscription is rejected by the Company.

## DESCRIPTION OF SECURITIES

### UNITS

Each Unit consists of 5,000 shares of Common Stock of the Company. Following the offering, Units will have no further relevance or significance, and the purchaser(s) thereof will be, and will be deemed, solely the holders of the shares of Common Stock comprising such Units.

### COMMON STOCK

The Company is authorized to issue 5,000,000 shares of Common Stock, \$ 01 par value per share. At June 1, 1995, there were 2,637,754 shares of Common Stock issued and outstanding and held by 144 shareholders.

Holders of Common Stock are entitled to cast one vote for each share held of record at all shareholder meetings for all purposes. Directors are elected by a plurality vote. Since holders of Common Stock do not have cumulative voting rights, holders or a single holder of more than 50% of the outstanding shares of Common Stock present and voting at an annual meeting at which a quorum is present can elect all of the directors of the Company. Holders of Common Stock have no preemptive rights and have no right to convert their Common Stock into any other securities. All of the outstanding shares of Common Stock are fully paid and nonassessable, and the shares of Common Stock issuable upon exercise of the Options will be fully paid and nonassessable when issued.

Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board of Directors in its sole discretion from funds legally available therefor. In the event of liquidation, dissolution or winding up of the Company, holders

of Common Stock are entitled to share ratably in the assets remaining after payment of liabilities and payment of all accrued and unpaid cash dividends

#### SEC REGISTRATION REQUIREMENTS

Once the Company has attained 110% of the "NASDAQ System" asset and income listing requirements for six consecutive months, it will have the option of registration of the Common Stock with the SEC. Additionally, the Company has agreed, upon approval with the SEC and public offering underwriter, to provide "Piggyback Registration Rights" to shareholders purchasing shares in this offering.

## USE OF PROCEEDS

If the offering is fully subscribed, the Company will receive gross proceeds of \$2,000,000. Net proceeds will be approximately \$1,838,000 (91.9%) reflecting deductions of total offering expenses of \$162,000 (8.1%) relating to the offering.

The Company budget for use of the net proceeds from the offering (assuming half and full subscription) is shown in the table below.

### Use of Net Proceeds From the Offering

	If Offering is Half Subscribed (\$1,000,000)		If Offering is Fully Subscribed (\$2,000,000)	
	Approximate amount	Percent of Total Net Proceeds	Approximate Amount	Percent of Total Net Proceeds
Hardware/Software(1)	140,000	0.167	300,000	0.163
Office Rent and Deposit	30,000	0.036	30,000	0.016
Product Marketing(2)	200,000	0.239	400,000	0.218
Retire Certain Debt(3)	324,000	0.387	324,000	0.176
Working Capital and Research and Development (4)	145,000	0.171	784,000	0.427
<b>TOTALS</b>	<b>\$838,000</b>	<b>100</b>	<b>\$1,838,000</b>	<b>100</b>

- (1) Includes \$140,000 and \$300,000 respectively, depending on available net proceeds of \$1,000,000 or \$2,000,000 to be used to purchase hardware consisting of two - 120 to 300 line Platforms for use at the Company's headquarters and in Brazil for system development and revenue generating operations. A portion of the amount will be used to pay for contract software design (CSDI fees).
- (2) Includes marketing investments of (1) \$80,000 and \$160,000, respectively, for GlobalTel advertising and related material in foreign countries as well as the addition of a Director of Marketing and related expenses. The amount also includes \$120,000 and \$240,000, respectively, for marketing and sales efforts related to IMT's core Platforms and related Services, depending on total gross proceeds of \$1,000,000 or \$2,000,000.
- (3) Amount required to repay working capital loans from shareholders, discharge certain account and trade payables, as well as legal and accounting fees billed and/or owing to date (other than those relating to the offering) \$324,000.
- (4) Includes \$145,000 and 784,000 to be used as general working capital for operations, payroll and expansion of the Company as well as for preparation of a potential public offering or additional financing, depending on total gross proceeds of \$1,000,000 or \$2,000,000. Funds for research and development will also come from this category (approximately \$180,000, or about 10% of the total Net Proceeds).

See "RISK FACTORS"

### Expenses Relating to the Offering

\$50,000 Preparing and Revising Documents and Consultations	\$22,000 Printing and Engraving Costs
\$30,000 Accounting Fees, Audits	\$35,000 Blue Sky Compliance Fees
\$25,000 Telecommunications, Travel, Presentations, etc	<b>\$162,000 Total</b>

As of July 31, 1995, approximately \$500,000 of the offering had been subscribed for. But, there can be no assurance that the offering will be fully subscribed and it is not conditioned upon any minimum amount of gross or net proceeds. Assuming the offering is fully subscribed, most of the net proceeds from this offering would be utilized to develop and market the Company's products and services, as well as to bring the company current with regard to certain outstanding payables, obligations and liabilities. Approximately 33% percent of net proceeds would be available as working capital, to cover overhead, salaries and day-to-day operating expenses.

## DILUTION

As of December 31, 1994, the Company had a pro forma book value of (\$203,023) "Book Value" per share represents the amount of the Company's total assets less all liabilities divided by the number of shares of Common Stock outstanding. Without taking into account any other changes in such pro forma book value after December 31, 1994, other than to give effect to the sale and issuance of 1,000,000 shares of Common Stock included in the Units offered hereby (and without ascribing any value to the Warrants or Options or giving any effect to the exercise thereof) at a price of \$2.00 per share and the receipt of the net proceeds therefrom, the pro forma book value of the Company's outstanding Common Stock would be approximately \$ .47 per share.

This represents an immediate increase in book value of approximately \$ .46 per share to existing shareholders and an immediate dilution (i.e., the difference between the purchase price per share and the pro forma book value per share after the offering) of approximately \$1.53 per share to persons purchasing the shares of Common Stock included in the Units offered hereby. The following table illustrates the dilution in book value per share if \$500,000, \$1,000,000 and \$2,000,000 is raised in this offering:

	at \$500,000	at \$1,000,000	at \$2,000,000
Offering Price per share	<u>\$2.00</u>	<u>\$2.00</u>	<u>\$2.00</u>
Pro Forma Book value per share at December 31, 1994	(\$ .01)	(\$ .01)	(\$ .01)
Increase per share attributable to purchasers of the shares of Common Stock included in the Units offered hereby	\$ .09	\$ .25	\$ .48
Pro forma book value per share after the offering	\$ .08	\$ .24	\$ .47
Dilution per share to purchasers of the shares of Common Stock included in the Units offered hereby	\$1.92	\$1.76	\$1.53

Purchasers of the shares of Common Stock included in the Units offered hereby will experience greater dilution when the Options are taken into account. 910,700 shares of Common Stock are covered by Options, with exercise prices ranging from \$0.40 per share to \$2.25 per share. See "OPTIONS."

## CAPITALIZATION

The following table sets forth the estimated pro forma capitalization of the Company as of December 31, 1994, and as adjusted to give effect to the issuance of 1,000,000 shares of Common Stock pursuant to this offering (assuming that the offering is fully subscribed) and the application of proceeds therefrom. All amounts have been rounded to the nearest dollar. The following table reflects only certain significant items of "assets" and "liabilities", as such are affected by the application of the use of proceeds from this offering. This table should be read in conjunction with the Company's financial statements included as Exhibit "A" hereto.

	As adjusted 12-31-93	As adjusted 5-31-94	As adjusted 12-31-94	As adjusted 12-31-95(1)
<b>ASSETS</b>				
Cash	\$13,031	26,394	61,154	659,430
Property and Equipment	83,821	113,634	195,257	495,257
Accounts Receivable	1,599	19,336	7,600	200,000(4)
Deposits	4,700	7,200	1,500	1,500
Foreign Investment	-	-	200,000	200,000
<b>TOTAL ASSETS</b>	<u>\$103,151</u>	<u>\$166,564</u>	<u>\$465,511</u>	<u>\$1,556,187</u>
<b>LIABILITIES</b>				
Accounts Payable (2)	\$27,176	\$57,236	\$167,592	\$0
Shareholder Debt	33,000	107,596	242,394	0
Other Liabilities	<u>1,032</u>	<u>16,623</u>	<u>38,584</u>	0
<b>TOTAL LIABILITIES</b>	<u>\$61,208</u>	<u>\$181,455</u>	<u>448,570</u>	0
<b>SHAREHOLDER'S EQUITY(3)</b>				
Common Stock	\$19,784	\$23,530	\$25,273	\$34,904
Paid-In Capital	266,546	350,260	413,424	1,838,000
Accumulated Deficit	<u>(244,387)</u>	<u>(388,681)</u>	<u>(641,720)</u>	<u>(316,717)</u>
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<u>\$41,943</u>	<u>\$14,891</u>	<u>\$203,023</u>	<u>\$1,556,187</u>

- (1) Assumes that this Offering is successfully completed on a fully subscribed basis, and that the net proceeds from the offering are used in accordance with the "USE OF PROCEEDS" discussion set forth above.
- (2) Does not reflect as yet unbilled legal and accounting fees and expenses relating to services rendered and being rendered to the Company.
- (3) Does not give effect to the issuance of Common Stock upon the exercise of options (covering 910,700 shares of Common Stock - as of May 31, 1995) granted to management and others. See "OPTIONS".
- (4) Refers to a contingent asset derived from RSA, one of the Company's licensees in Brazil.



## THE COMPANY

Interactive Media Technologies, Inc., a Florida corporation, was incorporated on June 18, 1991 and operated as RadioActive Radio Network, Inc., until December 3, 1993, when the Company changed its name to Interactive Media Technologies, Inc. to reflect its broader product and service base in several markets. The Company is a Florida "C" corporation with approximately 144 shareholders. IMT is headquartered at 5550 Glades Road, Suite 409, Boca Raton, Florida 33431, Phone (407) 368-2010, Fax (407) 368-1766.

The Company was originally formed by Mr. Steven M. Williams and two other founding shareholders in June 1991. The Company's original concept was the creation of an interactive telephone call processing system which automates the unanswered request lines at radio stations to allow callers to request songs that would play on-air, i.e. the service was designed to convert a radio station into a listener/caller programmed jukebox. The first version of the Company's system was tested at a radio station (HOT 105 FM) in Miami in October 1992 and was later operated with two national broadcasters (ABC Radio Network and Superadio Network) throughout 1993 and 1994. The mass market promotions allowed the company to test and perfect some of its technology in real use, high call volume scenarios. The Company has since modified its core technology and related services and re-directed its efforts to develop and implement more industrial types of telecommunications systems. The Company was restructured by Williams in January 1993 when the Company redeemed most of the original issued shares for cash. After several months of business planning, a revised development plan began and has been followed since June 1993.

In 1993, IMT initiated plans to move into the South American marketplace, namely Brazil. The Company has since spent a large portion of its capital, time and resources on perfecting technology developed for large call processing centers using system architecture designed by IMT's Vice President of Engineering, Eric Bacon. The Company also spent some of its resources analyzing and familiarizing itself with the Brazilian telecommunications marketplace through learning experiences with several license agreements. The Company recently formed a Brazilian subsidiary to conduct its desired operations, Interactive Media Technologies, Ltda.

In March, 1994, IMT expanded its product offering by acquiring the hardware assets and accounts of a company that offered various telecommunications services to domestic and foreign markets. The Company also hired the principals of this company who had knowledge and experience in the international telecommunications industry. These new services are offered through a division of the Company called GlobalTel.

In June 1995, IMT acquired the hardware assets of Intersat Satellite International, Ltd., another international call-back company. The company had substantial assets desired by IMT which were available at a favorable price through a stock for assets transaction. The acquisition increased the call processing capabilities of IMT's GlobalTel division by a factor of ten.

The Company's systems and services (some of which are still in development) enable consumers to communicate more efficiently by using interactive telephone programming (navigation) for use with large telco based voice mail, debit and calling card applications as well as inbound/outbound, 800/900 telemarketing, call switching/transferring, general navigation, message delivery, call rating, voice recognition, rotary (pulse) recognition and other such advanced features.

IMT's technology and programming concepts have been developed over the past four years to appeal to foreign and domestic customers; they are common sense and user-friendly interactive services requiring only the access of a telephone (tone or rotary/pulse). The Company is committed to the continuous development of the technology to remain competitive. The Company also plans to introduce an interactive television auction service in the future using its core technology ("BIDtv"). IMT has several services and relationships relating to different segments of the market. Each has tremendous potential for expansion.

The Company will increase its working capital provided by this offering, implement its Platforms and Services in other foreign markets and set up additional licensees and joint ventures to provide it with maximum worldwide coverage. Some of the expansion can be done without the risk of direct capital investment. IMT provides a software license and support, strategic partners provide capital for hardware and operational expenses. IMT typically receives income from monthly system support and royalty payments.

### CERTAIN BUSINESS TRANSACTIONS

- a) In December, 1993, IMT entered into a joint venture agreement with a Brazilian company ("RSA") which licensed IMT's technology to operate various inbound and outbound telephone services in Brazil. IMT initially received a 20% and eventually negotiated 25% interest in RSA. In May, 1995, IMT returned its equity in return for gross revenue royalty payments. RSA currently operates several services using IMT's technology. One such service processed calls for a lottery sponsored by Peugeot (the car manufacturer). RSA processes thousands of calls per month for other 900 services where IMT receives royalties of 5% to 10% of gross revenues depending on the Service.
- b) In July 1994, the Company signed a comprehensive marketing agreement with SkyNet Worldwide Courier, Inc., an international courier company similar to DHL or Federal Express with 165 offices in 80 countries ("SkyNet"). The agreement with SkyNet calls for each SkyNet office to assist in marketing the GlobalTel services to its international clients in exchange for a royalty. SkyNet Worldwide Courier has a customer base in excess of 250,000 customers. IMT recently expanded its SkyNet affiliate base to include representatives in Brazil, Portugal and Spain.
- c) In October 1994, IMT signed a program license agreement for IMT's "IMTV" Service with MTV Brazil. According to an agreement with MTV, IMT will begin operating the MTV service on its own Platform in Sao Paulo, Brazil by September 15, 1995.
- d) In October 1994, IMT signed a software development agreement with California Systems Design, Inc. (CSDI). CSDI is a high level software design company specializing in the creation of telephone company billing databases, a product required by IMT in order to complete its package of low cost, reliable technology. IMT retained CSDI to assist in the development of its "real time" billing database for its voice mail and debit card platforms operating under Windows NT and SQL Server. The database is a "state of the art" addition to IMT's array of telco-level technology (see figures in appendix).
- e) In March 1995, IMT tested a small 60-line version of IMT's debit/calling card platform at Telemig, the telephone company serving the Brazilian state of Minas Gerais. The system performed successfully and a final proposal was requested by Telemig immediately thereafter. IMT has delivered the proposal for this project which could involve approximately \$8,000,000 in IMT Platform license.

fees and hardware sales. Negotiations are continuing as of the print date of this document. Moddata is IMT's sales agent for this transaction.

f) In April 1995, IMT made presentations to Southwestern Bell Company International, the operator and joint venture partner of Telefonos de Mexico, S.A. the telephone company in Mexico. IMT presented its Voice Mail, Debit Card and Interactive Platforms as well as the Daruma "Smart Pay Phone" for consideration. Discussions continue regarding a sale of IMT's products.

g) In May 1995, IMT purchased \$90,000 worth of assets from a company involved in the international call-back business (Intersat Telecom, Inc.). The purchase increased the processing capabilities of IMT's GlobalTel division tenfold. IMT also retained one of Intersat's former owners as an IMT board member (Mr. Allen Sweeney, former CFO of Del Monte Foods). This new equipment will greatly increase GlobalTel's competitiveness and its options to expand into new markets and offer new services.

h) In May 1995, IMT signed agreements with Barcelona Global Import, Export and Representation, Ltda., to become an IMT Platform and Services Licensee in Brasilia, Brazil. The system was installed and activated in June, 1995.

i) On June 16, 1995, IMT signed a "Memorandum of Understanding" with Javier Investment Group, Ltd., an investment banking company located in Coral Springs, Florida. The memorandum outlines an agreement for Javier Investment Group to take IMT public in a stock swap transaction. The transaction would value IMT at \$13,000,000 or \$5.20 per share and would provide IMT with \$4,000,000.00 in working capital. The Company is studying, among other issues, the feasibility of the offer, including the potential for its completion and impact on its shareholders. A shareholders vote may be sought soon with recommendations from the Company's board. The transaction is scheduled to be finalized in late 1995 or early 1996 unless a better offer is received prior to finalization.

j) In July 1995, IMT signed a marketing agreement with Daruma, a Brazilian telephone manufacturer and producer of high quality "Smart Pay Phones". IMT obtained the exclusive right to market Daruma phone in the U.S., Mexico and Costa Rica. The products are a "Debit Card Public Pay Phone" and "Smart Debit Card". These products are marketed through IMT's GlobalTel division.

k) In July 1995, IMT signed a Platform Operations Agreement with SSC Promotions. This agreement provides IMT with 180 lines of capacity to operate its "IMTV", Voice mail and other IMT Services in Sao Paulo, Brazil. The agreement provides for the Company to receive payments directly from TELESP, (the state owned regional telephone company for Sao Paulo, Brazil) for processing 900 pay per call traffic. IMT will operate the Platform and provide technical support for the operation, including the necessary software.

l) In July 1995, IMT made presentations to Codetel and TreCom the two telephone companies in the Dominican Republic. IMT presented its Voice Mail, Debit Card and Interactive Platform as well as the Daruma "Smart Pay Phone" for consideration. Negotiations continue regarding a potential sale of IMT's products.

m) In July 1995, IMT entered into joint venture and technology licensing agreement with Daleen Technologies, Inc. (DTI), a software development company specializing in the creation of object

oriented software and real time database applications. DTI's clients include Siemens, Ericsson, Cellular One, Peoples Cellular Telephone Company and other major telecommunications companies. The agreement provides IMT and DTI with a license to co-market integrated solutions comprised of components developed by both parties with DTI's increased system support capabilities. IMT and DTI will jointly and separately market each others technology domestically and internationally. The alliance creates a total telecommunications solution and a more competitive product and a wider arena of sales potential.

### INDUSTRY TRENDS

The market for telecommunications products and services is changing rapidly because of deregulation and resulting competition in both foreign and domestic markets, the evolving requirements of business communications, the drive for higher capacity and more cost effective technologies and services. The resulting proliferation of value added services and technologies has created the need for solution that permit telco's, carriers and businesses to access the variety of enhanced telecommunications services available.

The changing communications patterns of business users and the fierce competition among carriers have fueled a drive for technologies that allow carriers and telco's to provide value added services. Carriers and telco's are under pressure to invest aggressively in technologies that can deliver services more quickly, reliably and cost-effectively. These investments are being made in switching, transmission and access equipment as well as enhanced services. To date, most carrier and telco investments have been made in switching and transmission technologies. Now, carriers and telco's are beginning to offer many new services. The resulting demand for voice-mail, debit/calling card and other common sense enhanced services creates the market for IMT's Platforms and Services.

### PRODUCTS, SERVICES AND BUSINESS OF THE COMPANY

**The Company and its Technology** - Interactive Media Technologies, Inc. ("IMT" or the "Company") develops, markets and licenses PC-based, telephone call (voice and data) processing and switching technology and related telecommunications services to domestic and (mainly) foreign telco's, call processing service bureaus and businesses. The Company has created advanced platforms of interactive telephone technology that operates the Company's interactive telecommunications concepts using 24 channel T-1 lines (U.S. standard 1.544 Mbps) and 30 channel E-1 (European standard 2.048 Mbps) telephone circuits. The Company has one subsidiary and several joint venture partners. It is based in Boca Raton, Florida, with branch offices and affiliates in South America and Europe.

The Company identifies its business as two types of profit centers "Platforms and Services" which generate revenue from "Buyout and "Residual" licensees. IMT's Platforms consist of three types of telephone call processing systems (Interactive, Voice-Mail and Debit/Calling card) ranging in sizes starting at 24 channels (\$20,000) and expandable up to 12,000 channels or lines (\$10,000,000). Each Platform is sold or licensed to end users who also utilize IMT's "QuickScript" applications generator to create customized call processing applications.



**Licenses of Platform Technology** - IMT has four Platforms installed to date and four Licensees of its technology (located in Boca Raton, Florida, Los Angeles, California, Sao Paulo and Brasilia, Brazil). Several other Platforms and Services are coming on line in 1995. The Company is expanding its base of Customers, Buy-out Licensees and Residual Licensees and is implementing its own Platforms and Services in 1995. IMT is poised to increase its revenues and market position domestically and in several countries.

**Voice-Mail Platform** - This Platform provides the ability to store and retrieve large quantities of voice data. Depending on size and purchaser requirements, the Platform is configured with IMT's E-1 modules, a high-speed 100 Mbs intelligent network hub and a proprietary "Access Server" design and RAID disk space of up to one terrabyte. The system is also configured with a *real time* billing database running on a SQL Server under Windows NT operating system and is used for telco billing and collection operations. The system is unique in that it competes with main frame platforms selling at much higher prices. (see inside cover for schematic detail)

**Voice Mail Service** - Provides callers receiving a busy signal or continuous ring/non-answered call with the ability to transmit a voice message that is retrieved later by the intended recipient of the call. Voice Mail is extremely popular in the U.S. and is utilized in some form by over 50% of U.S. businesses. In developing countries, mainly due to the lack of technology and DTMF (touchtone phones), voice mail is non-existent. New technologies allowing pulse recognition and voice recognition opens up the marketplace to activate voice mail systems in new markets.

**Virtual Phone Service** - Is similar to Voice Mail except that a telephone number is provided to a subscriber without being terminated at an actual telephone. In essence, it is a telephone number without a telephone and is a means of providing message delivery and retrieval services when standard telephone service is unavailable or too costly. Virtual Phone is being promoted as a low cost method of providing voice messaging services to the general population, especially in developing countries where the telecommunications infrastructure cannot keep up with demand for new phone service.

**Debit/Calling Card Platform** - This Platform primarily performs call switching, monitoring and rating functions and is the lowest cost per port Platform in IMT's product line. Depending on size and purchaser requirements, the Platform is configured with IMT's T-1/E-1 modules, a 10 Mbs intelligent network hub and RAID disk space of up to 100 gigabytes. The system is also configured with a *real time* billing database operating SQL Server under Windows NT for billing and collection operations. The system is unique in that it competes with main frame platforms selling at much higher prices (see inside cover for schematic detail).

**Debit/Calling Card Service** - Provides a method of making calls without the need for coins or tokens. Callers must pre-purchase debit cards and a centrally located system rates the call and deducts credits from the account as the call progresses. Calling card accounts are billed monthly to an account such as a typical basic service phone bill. This type of service is relatively unknown in developing countries.

**General Interactive Platform** - This Platform primarily performs message playback and navigation and operates the Company's "IMTV", Telelottery, "BIDtv" and other Services. The system is mainly designed for use with 800 and 900 pay-per-call service bureau applications.

Depending on size and purchaser requirements, the Platform is configured with IMT's T-1/E-1 modules, a 10 Mbs network, network server and RAID disk space of up to 100 gigabytes

**International Call-back Services** - IMT also markets another telecommunications Service under the trade name of GlobalTel ("GTEL") GTEL is an international long distance telephone service that reduces the cost of international calls by utilizing an uncompleted call signalling technique so-named "Call-back"

GTEL technology switches the origination point of all long distance calls to the United States, regardless of what country the call is made in. U.S. long distance rates are among the lowest in the world. Foreign owned long distance companies are mostly government owned and are generally not competitive with U.S. based companies. By re-directing the origination point of international destination calls made outside the U.S., so they are billed as if they were made within or from the U.S., Customers achieve significant reductions in fees charged by foreign telephone companies. GTEL operates under a Section 214 license from the Federal Communications Commission (FCC) entitling the Company to operate as an international re-seller of switched public telephone services.

IMT recently invested in additional switching equipment to increase GlobalTel's maximum load capacity to be able to process 72 simultaneous phone conversations or approximately 3 million dollars per month in gross capacity. GlobalTel has also recently added Internet access which could be a substantial revenue generator for the Company.

IMT markets its GlobalTel call-back services internationally. IMT has its own domestic sales force and five sales people and representatives in Brazil. GTEL has offices in Boca Raton, São Paulo, Rio de Janeiro and Fortaleza. It has agents and affiliates in 14 countries and serves North and South America, Europe, Asia and Africa. Sales have been notable in Brazil, where a call to the United States, using Brazil's monopoly controlled, long distance service costs approximately \$2.39 per minute. The GlobalTel service is priced at about \$0.99 per minute, producing a \$0.30 per minute profit. Other countries receive approximately the same cost benefits. GlobalTel currently has over 300 business clients in five countries and currently generates revenues exceeding \$35,000 per month. The client list includes Penrod Oil, Pele Sports & Marketing, Odebrecht, foreign Embassies, and other international corporations. Accounts are guaranteed with an International Visa or American Express. Larger accounts pay by means of a wire transfer or Letter of Credit. All payments are made in U.S. Dollars.

Customers call special telephone numbers providing dialed number identification data, or Direct Inward Dial (DID's), these numbers provide IMT with data about the phone number from where the call was made. When a customer desires to make an international call, they dial the DID listed on their phone card and let the phone ring once and then hang up. Within a few seconds, the system calls the customer back at their pre-programmed overseas number. When the customer answers, they enter the number which they want to call and the system connects the call from IMT's headquarters in Boca Raton, Florida.

**"IMTV Musiquet"** - Is an interactive music video request line Service originally used by ABC Radio Network and other broadcasters and currently being utilized by MTV Brazil ("MTV") an international Viacom licensee. IMT plans to expand its "IMTV" Service throughout Latin America, Europe, Japan and Singapore, countries where MTV has licensees. The Company can also do business with other music video broadcasters in the U.S. and other foreign countries.

The Service provides listeners with the ability to request songs from an interactive song menu, receiving verification of the time the song will play. The system also has a unique call-out dedication feature which sends dedications by phone.

The Company generates revenue when callers dial a 900 number which charges a per minute or flat fee for the call. Some of the net revenues are shared with the network or station in return for no cost promotion. The Service creates new revenue for the broadcaster that formerly was an expense and generates valuable data for the broadcaster regarding the preferences of its callers.

The Company intends to market its interactive telephone and request line technology and services to broadcasters which have a sufficient viewer base to allow for the use of the "IMTV" services on a profitable basis. Prospective customers include cable, radio and television operators. The Company has contacted and received interest from MTV Latino, MTV Singapore, MTV Japan and MTV Europe. Additionally, the Company's software products are capable of rather sophisticated data collection. The programs allow stations and networks to collect information concerning the requested song and the source of the request. The Company believes that such information will ultimately be a valuable asset which may be sold in such a manner as to contribute positively to the revenue of the Company.

**Televised Interactive Auction Service - BIDtv™ ("BIDtv™")**, is a televised interactive auction service similar to home shopping channels except through BIDtv™, viewers will have the opportunity to participate in a real-time mass media auction using their touchtone phone. This is a new concept developed by the Company which has not yet had a real market test. The current deregulation developments in the United States, on both the state and national levels, should provide substantial potential for this Service.

BIDtv™ is an interactive television service created for a national cable and satellite television audience. It will operate out of the Company's wholly-owned subsidiary, The Auction Channel, Inc. BIDtv™ is similar to home shopping network except that viewers bid for items when prompted by the live auctioneer using either a touchtone phone or a cable television remote device. On-screen displays reveal the Current Bid, the number of Active Bidders and the number of sideliners (inactive but potential bidders). The name of winning bidders is optionally displayed on screen once the bidding is complete. Items for auction include cars, boats, real estate, jewelry and other household items sold on the home shopping channels. Multiple items can also be auctioned to high bidding participants. Unlike merchandise sold on other home shopping shows, prices begin lower and are bid higher by the competing audience.

The Company is searching for, experienced cable executives who could manage the expansion and coordinate the long term strategy for BIDtv™. To implement the service, affiliation agreements must be negotiated with domestic and foreign licensees. The Company is currently negotiating with TV Abril in Brazil (Brazil's largest cable operator) as a potential BIDtv™ licensee.

#### **IMT Licensees**

**RSA Comercio e Servicos de Teleinformatica Ltda., ("RSA")** is an IMT Platform operator of a 240 line system and Services Licensee located in Sao Paulo, Brazil. IMT was previously a 25% shareholder of RSA and recently returned its ownership in return for monthly royalty payments of 5% to 10% of gross revenues.

**Barcelona Global Importation, Exportation and Representation, LTDA** , is an IMT Platform operator of 64 lines and Services licensee located in Brasilia, Brazil. IMT receives monthly royalty payments of 5% to 10% of gross revenues.

#### **IMT Affiliates**

**Moddata, S.A.** - is an industrial telecommunications equipment distributor with annual sales of over \$50,000,000 and acts as an agent for some of IMT's industrial telephone applications in Brazil including the Telemig system.

**Daruma, Ltda.** - is a Brazilian manufacturer of high quality pay and debit card telephones for which IMT has acquired the rights to market the phones in the U.S., Dominican Republic, Mexico and Costa Rica.

**Daleen Technologies, Inc.** - is a medium sized U.S. based developer of quality telecommunications software which has an agreement to provide IMT with billing database technology as well as to utilize IMT's call processing technology in return for per port royalties.

#### **RESEARCH AND DEVELOPMENT**

The Company has expended over \$950,000 to date on research, development, and technological efforts in connection with the design and development of its interactive telephone and database software and related computer hardware. The Company will also continue research and development efforts with respect to the enhancement and fine-tuning of its existing products and the development of additional complimentary products. The Company has used and in the future may continue to use the services of outside consultants to assist in research and development activities. IMT has a development agreement with California System Design, Inc. (CSDI), and Daleen Technologies, Inc. (DTI) two companies that specialize in the creation of telephone company billing databases. The Company will continue to invest in research and development and will pursue joint technology licensing agreements.

#### **PROPERTY AND EQUIPMENT**

The Company currently owns approximately sixteen PC-based computer and voice processing systems configured with state-of-the-art peripheral hardware and software components. IMT's hardware includes two 75 and 100Mhz Pentium systems, two 486/50 laptops and three Gateway 486/66 systems configured with 250+ channels of telephony capability, a Windows NT based office network server and seven remote workstations and four tape backup units. Additionally, the Company owns two high quality copiers, four laser printers, a medium sized phone system, various audio and video boards, numerous software programs including Paradox, Borland 4.5, Windows For Workgroups, Windows NT, Dos, Norton Desktop for Windows, MSWorks, MSWord, Quickbooks for Windows, QuattroPro, WordPerfect, including IMT's Company-developed software programs such as the Voice Mail, Debit/Calling Card, General Interactive, Billing Database, "IMTV", "GlobalTel" and "BIDtv™". The Company also owns two-60 line E-1 modules in Sao Paulo, Brazil. After the completion of this offering, the Company intends to purchase additional computer hardware and software systems and other related equipment. The Company plans to purchase at least \$300,000 worth of additional systems hardware for expanded operations in conjunction with this offering.



## OPERATIONS

IMT maintains its headquarters from its offices located in Boca Raton, Florida, A fast growing community considered to be the *high tech* center of Florida and provides the Company with continuous access to capable engineering assistance and staff. Boca Raton, Florida is located approximately 45 miles from the Miami airport and easy access to all Latin American and Caribbean destinations which are primary markets for IMT's technology. IMT primarily operates from its headquarters where it develops technology, negotiates contracts, configures systems and ships equipment to their intended destinations.

IMT also operates a wholly owned subsidiary, Interactive Media Technologies, LTDA, located in Sao Paulo, Brazil. Eric Bacon, IMT's Chief Systems Engineer and Executive Vice President spends most of his time in Brazil working with the Company's licensees and enhancing the Company's programming. Eric's presence in Brazil helps the Company to successfully develop in a "real world" environment not available in the U.S.

The law firm of Tozzini, Freide, Teixeira and Silva and Mr. Marcio Mello Baptista, operate as the Company's Brazilian Directors upon authorization from IMT in the U.S. The firm is experienced in U.S. and Brazilian law and assists U.S. companies in becoming established in Brazil. IMT, LTDA, maintains a bank account at "Banco Itau" in Sao Paulo, one of the largest banks in Brazil. Funds currently, can be transferred into and out of Brazil without governmental penalties or interference.

The Company's Platform and Services licensees maintain their own systems. Certain Services such as the Company's "IMTV" Service are maintained by IMT in Brazil for control purposes. This control provides IMT with increased profit potential and limits the potential for failures.

IMT recently added GlobalTel representatives in four cities in Brazil, as well as representatives in Peru, Argentina, Portugal and Spain. The Company plans to open offices in Costa Rica, Mexico, Chile, Dominican Republic, Barbados and the Philippines in the near future. Additional locations will depend, for the most part, on the performance of existing offices in the existing regions, and the telephone rates and expenses. Representatives are hired from the local work force, trained by management and are compensated with sales commissions.

IMT's GlobalTel division is located at the Company's corporate headquarters in Boca Raton, FL, where it processes all calls and provides customer service and billing functions. GlobalTel also has modest facilities in Sao Paulo and Rio de Janeiro, Brazil to manage its Brazilian activities and to provide customer service to its mostly Brazilian client base.

## MARKETING

Because the Company was primarily involved in the development and testing of its systems, to date, the Company has conducted very limited expenditures for marketing its products. Most of the Company's agreements have been obtained from "word of mouth" and follow-through.

Steps have been taken, in conjunction with this offering, to expand the promotion and use of the Company's Platforms and Services to other potential users and to enter into joint venture technology.

marketing and license arrangements which will take advantage of the infrastructures of existing and successful telecommunications companies which offer non-competing products and services

The Company is actively promoting the use of technology licensing agreements. Licensee agreements for the Company's technology, such as those the Company is currently involved in as described above, are well suited for expanding the Company's income base. These arrangements enable the Company to enter a foreign market quickly, yet pose fewer financial and legal risks than owning and operating a foreign production facility or participating in an overseas joint venture. The Company also plans to use these licensing arrangements to acquire any foreign technology beneficial to the Company (cross-licensing agreements or *grantback* clauses granting rights to improvement technology developed by a licensee).

The Company is scheduled to participate in telecom technology and related trade shows to be held in various countries with developing and emerging markets and will make this a regular part of its marketing plan.

Recently, the Company has subscribed to the Export Hotline & TradeBank service, whereby the IMT profile and summary of its products and services can be ordered instantly by fax from any country in the world by prospective customers, free of charge to the customer. This service also gives IMT marketing and trade data on world markets and companies doing business in those markets.

In July 1995, IMT began a marketing campaign designed to inform telephone companies and other companies requiring lower cost mass telephone call processing technology for voice-mail, debit/calling card and general interactive uses. Direct mail and magazine advertising is being implemented as well as person to person contacts with foreign and domestic telco's at conventions, expositions and local facilities. The Company has identified hundreds of domestic and foreign telephone companies as potential purchasers or operators of the Company's Platforms.

The Company plans to invest a portion of the net proceeds of this offering in efforts to expand the use of the "IMTV" Services by campaigns directed at additional international MTV licensees and other music video networks. The Company has already contacted and received interest from MTV Latino, MTV Europe, MTV Singapore and MTV Japan.

IMT makes the assumption that the Information Superhighway will be built through this decade and into the next century. With the global economy and greater mobility, the need for and uses of telecommunications will continue to grow rapidly. Therefore, the Company has the following marketing approach:

1. To continue obtaining international (mostly corporate) clients and supplying them with accessible and efficient telecommunications services
2. To market aggressively low cost international telephone services to individuals and families that have international ties, through a variety of methods that can handle the telephone and facsimile needs of individuals

These strategies have been employed, thus far in Brazil, IMT's first target country. IMT's GlobalTel division has four sales representatives in Brazil, in Rio de Janeiro, Sao Paulo, Porto Alegre, Rio Grande do Sul and in the northern region of Goiania, Goias. Each representative provides customer

service and sales support. The Company has an office in Sao Paulo, Brazil which is the focal point for marketing and sales in Brazil. The Company also has an office in Rio de Janeiro. GlobalTel anticipates considerable growth in its customer base over the next six months. New locations for offices or sales representatives have been established in Lima, Peru, Buenos Aires, Argentina, Cairo, Egypt, and Riyadh, Saudi Arabia. The marketing plans for new offices is based upon the collected data, performance and patterns of Brazil.

The Company is also installing its own large-scale voice-mail and advanced information services system in Sao Paulo. The system will process calls for a Telettery, MTV Brazil and other applications.

It is anticipated that BIDtv™ will soon be the first system in the world to allow the general public to participate in a televised auction. BIDtv™ is primarily a telephone controlled bidder qualification and bid acceptance system created to provide a conduit for buyers and sellers to become aware of and participate in a local or national auction simultaneously with thousands of other viewers.

BIDtv™ auction programs would use existing Company technology which is under development to be compatible with both the television and radio audiences. Auctions are an entertaining shopping format which actively involve the audience. They are impulse and product driven, and are now an accepted way to purchase merchandise.

BIDtv™ intends to take advantage of the needs of television industry which is seeking new revenue opportunities with interactive concepts. The Company believes that auction houses will support the programming because they want to reach larger audiences offered via television.

#### EMPLOYEES

As of June 30, 1995, the Company had 18 employees and associates, including, five executive officers, several engineers, an office manager, two billing and collections personnel, one house counsel and seven sales representatives. Each of the Company's Executive Officers and engineers is party to an employment agreement, with non-competition provisions. None of the Company's employees is subject to a collective bargaining agreement and the Company believes its employee relations are good. After the completion of this offering, the Company plans to expand its personnel by hiring additional employees to assemble and maintain software and computer hardware systems, to install the Company's software and computer hardware systems and promote and market the Company's services and products.

Subject to contract rights, Officers of the Company may be retained and removed in the sole and absolute discretion of the Board of Directors.

#### FACILITIES

The Company leases two offices in Boca Raton, Fl., with its executive offices located at Crocker Financial Plaza, 5550 Glades Road, Suite 409, Boca Raton, Florida 33431. Both three year leases provide for rents of \$1,400 and \$1500.00 per month and expires July 1996, with an option to renew at only a slightly higher rent. The Company believes the current space is adequate for its current and proximate future needs. The Company also leases office space in Sao Paulo, and Rio de Janeiro, Brazil for approximately \$350.00 per month each.

## REVENUES

The Company's generates revenues from Platform licensee sales, hardware sales, per minute usage fees for services such as the Company's GlobalTel Service or "IMTV" pay-per-call Services. IMT's existing Brazilian Platform licensees currently generate several hundred thousand dollars (equivalent) per month in gross billings and the Company receives 5% to 10% of the gross amounts depending on the Service. IMT's other interactive services such as the MTV Brazil service should provide much significant revenue as well. Other services producing significant revenues in the near future include Voice-Mail; Telelottery; on-phone album sampling/purchasing, merchandising opportunities, interactive music games, contests, and sweepstakes; direct mail revenues and polling/voting lines.

The Company's Platforms are sold for per port fees ranging from \$150.00 to \$350.00 per port depending on sizes ranging from 24 to 12,000 ports with systems ranging in prices starting at \$20,000 up to \$10,000,000.

IMT plans to launch its "IMTV Musiquet" Service in Brazil in conjunction with a new agreement reached MTV Brazil. The agreement calls for IMT to provide a service facility with its IMT supplied software to accept viewer requests via 900 pay per call billing methods. IMT will receive a direct royalty of 1.40 per minute of call usage and will remit .30 to .40 cents per minute to MTV Brazil. The Service is expected to generate 200,000 to 400,000 minutes per month.

The Company anticipates that a large portion of its revenues, in the near future, will be derived from GlobalTel which is currently generating in excess of \$35,000 per month in gross revenues. GlobalTel receives its revenues from call-back, Internet access, smart debit calling cards and smart debit card phones. GlobalTel generates revenues from the call-back services based on the differential in the foreign country's calling rates and the rate GlobalTel pays its United States carrier for the same call. There is an initial sign-up fee of \$50.00 to \$75.00 for each phone number assigned to a client's account.

The Company anticipates that each of its Services and Licensees will eventually contribute significantly to the Company's total revenues.

## EXPENSES

The Company's major operating expenses relate to the purchase of equipment, and the maintenance thereof, programming, employee salaries, telephone access costs, and the Company's leased office space. Profitability of the Company depends upon controlling expenses of the Company, particularly telephone access costs and expenses and increasing revenues by selling or licensing Company's Platforms and Services. Monthly overhead expenditures are approximately \$35,000 per month.

Based upon management research, IMT estimates that it can initially increase GlobalTel revenues by \$500.00 per month for each \$200.00 in marketing expenditures. Thus, a \$200,000 marketing investment should generate \$500,000 per month in gross revenues with a 25% gross profit margin and a 10% net profit margin. If the client base continues to grow at current levels without additional capital infusion, revenues could increase at the rate of about 10% to 15% per month.

The initial capital needs of the Company for installation and operations of the Platform in Brazil and at its headquarters in Boca Raton, Florida is approximately \$250,000.

## COMPARISON OF RECENT YEARS

The following table sets forth certain significant financial data as of and for the fiscal years ended 1991 through 1994.

	1991	1992	1993	1994
Assets	6,602	14,762	103,151	245,547
Paid in Capital	19,667	17,419	266,546	438,697
Retained Earnings	-13,066	-36,710	-244,387	-641,720
Shareholders Equity (S/E)	6,602	-9,541	-41,943	-203,023
Total S/E & Liabilities	6,602	14,762	103,151	245,547
Revenue	0	28,921	70,303	357,277
Revenue per share	0	0 01	0 04	0 14
Earnings	-8,317	-28,393	-207,676	-397,333
Earnings per share	0	-0 01	-0 1	-0 16

### PROPRIETARY PROTECTION

The Company has a U.S. copyright on its interactive telephone software. The Company may apply for a United States patent on various aspects of the function and design of the software and its technical applications, although no assurance can be given as to whether a patent will be applied for or be issued, or, if issued, as to the breadth, scope or degree of protection (if any) such patent could or would offer the Company.

The Company also has a U.S. Trademark on the marks "BIDtv," and "Bidtv" stylized, with the United States Patent and Trademark Office. The Company may also file applications to register "The Auction Channel," "Music On Demand" and other trade names and trade marks.

The Company has entered into confidentiality and non-compete agreements with its key employees and consultants and certain affiliates. These agreements provide, that, during the term of each agreement, the employee, consultant or affiliate may not engage in any activity competitive with the Company's business. The agreements also impose and will impose prohibitions against an employee, consultant or affiliate's disclosure of certain confidential information. The agreements also contain covenants not to compete for a period of one to three years.



## COMPETITION

The Company's competition includes various manufacturers of voice-mail and call processing systems from major manufacturers. Unysis, Octel, IBM, Intervoice, etc., all create systems that compete with the Company. The Company believes that none of these entities have developed a request line and database accumulation program such as IMTV. One entity is involved in developing pay-per-song interactive video concepts, Video Jukebox Network, Inc., is however, a minor competitor of MTV and it is highly unlikely that the two would come together to do business. Several companies are developing home shopping concepts and others are likely to enter the competition in this segment of the market, and there are thousands of auction companies nationwide. The Company's GlobalTel operations in South America and other countries has many competing companies providing many of the same or similar services. The barriers to enter the international Voice-Mail, Debit/Calling card, General Interactive systems, and auction television marketplace is costly and difficult while the international call-back markets are relatively modest in comparison. A significant barrier could be creating the interactive software on which the Company's products and services are dependent. The Company presently has no copyright protection with respect to its Platforms or Services, except for copyrights on its interactive telephone service software and the name BIDtv™. See "PROPRIETARY PROTECTION" above. Although protection may not be significant, the Company has taken measures to make it difficult to copy its software, and believes that its software programs would be difficult if not impossible to copy, decompile and use.

Some of the Company's potential competitors may include any of the current media and telecommunications companies as well as current operators of home shopping programs and, of course, interactive software, cable and broadcast television providers. Many of the Company's potential competitors have far greater financial and technical resources, longer operating histories and greater industry name recognition than does the Company. The ability of the Company to compete effectively in its anticipated markets depends importantly upon a number of factors beyond the Company's (or its management's) control. While the Company believes that it should be able to compete favorably based on the quality, features and price of its products, no assurance can be given in these regards.

## LEGAL PROCEEDINGS

There are currently no legal proceedings pending against the Company or to which it is a party. The Company retains the law firm of Greenberg, Traurig, Hoffman, Lipoff, Rosen and Quentel, P.A. (Keith Wasserstrom) Ft. Lauderdale, FL, as its SEC counsel and the Firm of Tozzini, Freide, Teixeira e Silva (Marcio Baptista) Sao Paulo, Brazil as its Brazilian legal representatives for Interactive Media Technologies, Ltda.

## MANAGEMENT

As the Company grows, it will require the services of additional highly-skilled and management-level executives, the markets for which are both highly competitive. The Company believes that its current management has the experience and expertise necessary to manage the Company and to develop the Company in the interactive telephone, radio, and television industries. The Board of Directors, in its sole discretion, may engage additional officers (and the officers may engage additional employees) and enter into employment agreements with such persons. Currently, each Executive Officer is party or subject to an employment agreement with non-compete,

confidentiality and other restrictive covenants. The Board of Directors, in its sole discretion, may offer such employment agreements, and other employment arrangements, to other persons in the future. Other professionals, consultants and advisors will be hired as needed.

**Directors:**

Steven M. Williams (Age 34)

President, Chief Executive Officer, Secretary, Treasurer and Director Since June 1991

Mr. Williams has ten years of management, financial and organizational experience managing companies and concepts involved in the call processing industry. Williams has vast experience with interactive telephone and television technologies and with direct response telephone services. His experience also includes national television advertising sales, audio/video production, as well as extensive music industry expertise.

In 1985 he founded Music Systems, Inc., the first interactive telephone based album sampling and purchasing service which was owned in part by Intervoice, Inc. a current competitor of IMT. Williams sold control of the Company to First Trustmark, a venture capital firm in 1988.

In 1989, Williams was hired as a Consultant to Billboard Magazine to implement its 1-900-Hot-Rock program a nationally successful telephone promotion. Williams was subsequently retained as a Marketing Consultant by Video Jukebox Network, Inc. a publicly held interactive television company specializing in providing a "Music Video On Demand" type concepts. VJN now called "The Box" is controlled by Newhouse Broadcasting, Telecommunications, Inc.(TCI) Ticketmaster, Communications Equity Associates (CEA) Island Music and several other media and cable conglomerates. Williams was promoted to Director of New Business Development shortly thereafter, where he created the Advertising and Promotions Department for VJN, adding several million new dollars in VJN revenues. While at VJN, Williams worked with management to fine tune programming, operations and to develop over 35 interactive promotions for most of the major recording artists of 1989-91.

Williams founded IMT in 1991, negotiates all of IMT's major contracts, oversees marketing strategies, raises capital and performs the standard duties expected of a company's President and CEO.

Allen Sweeney (Age 62)

Director

Allen Sweeney received his B.S. in General Business Administration from the University of Kansas in 1956, an M.B.A. from Harvard Graduate School of Business in 1961 as a Teagle Scholar. He retired as Senior Vice President and Chief Financial Officer of Del Monte Foods when that international food company, with annual sales of \$2.6 billion, closed its world headquarters in Miami in February, 1990.

Prior to that, he served in a variety of financial, development and general management positions for R.J.R./Nabisco and Exxon while living in Argentina, Colombia, Hong Kong, Japan, and the U.S. In addition to his several foreign assignments, Mr. Sweeney has traveled extensively throughout the world, particularly in China where he negotiated the R.J.R./Nabisco joint venture with that country.

In 1990, he completed a nine-month consulting assignment, based in Hong Kong for the reorganization and restructuring of Del Monte's business operations in Asia. After writing six books on Accounting, Strategic Planning, and International Financial Management, Mr. Sweeney lectured on and taught these subjects at the Columbia and Fordham Graduate Schools of Business.

He is active in the Coconut Grove Chamber of Commerce and currently serves as President of that organization. Prior to joining the management team of IMT, Mr. Sweeney had experience with the telecommunications industry through a young company seeking to enter the long distance telecommunications market. That company has since merged part of its business interests with those of IMT.

**Richard Bancone (Age 62)**  
Advisory Board

Richard Banconi attended New York University School of Business and Finance and was affiliated with Allen & Company, New York City, since 1957, serving for a number of years as its Vice President and General Manager. He is, and has served on the Boards of Directors of many public and private companies.

**Gregory T. Kruglak (Age 46)**  
Advisory Board

In 1990 Kruglak formed IPEM Associates, a consulting firm engaged in international risk analysis, modeling and portfolio advisory services for private-sector clients. He also is an Adjunct Professor, University of Maryland, Graduate School of Management and Technology, where he teaches International Competitive Strategy. Mr. Kruglak worked for 12 years in various international program and policy positions for the United States Government and was a member of the United States Government delegation to the International Labor Organization, an agency of the United Nations. Mr. Kruglak received his Ph.D. degree in international relations from the University of Geneva (Switzerland) and completed postdoctoral work at Princeton University.

**Officers:**

Steven M. Williams (see above)

**Eric Bacon (Age 40)**  
Executive Vice President Since April 1993

Eric Bacon has twenty one years experience as an Electro-Mechanical Design Engineer specializing in computer design and product development. Mr. Bacon has four years experience in military radio and telephone communications, five years accumulated experience in digital audio techniques and general voice processing. Mr. Bacon is fluent in several high level programming languages as well as Assembly level programming. Additionally, Mr. Bacon is an accomplished hardware designer.

Mr. Bacon has a Bachelor of Science in Mechanical Engineering from the University of Maryland (AFES). He has been a consultant to or employed with the following companies: Video Jukebox Network, Kaiser Permanente, Microsoft, RayNet, Moscow Electronics, Loren Industries, Keytronics, Intel Corporation and Bendix Avionics. While at IMT, Mr. Bacon designed most of the Company's



proprietary technology and is IMT's Chief Design Architect. Mr. Bacon's background in computer design, voice processing, and product development are well suited to lead IMT through the interactive technology industry.

**James Artimez (Age 39)**

Vice President, Operations/GlobalTel Since March 1994

James Artimez has a diverse background in international business and sports. He was Secretary General For the Brazilian Football Academy, Import Manager for the Otis Elevator Company and President of S.A.C., a company specializing in the import and export of various international cargo. Artimez's native tongue is Portuguese and he is Fluent in English, Spanish. Artimez is a co-founder of GlobalTel and is responsible for the day to day operations of IMT's GlobalTel division and other operational positions at IMT. Artimez helped make the GlobalTel division an internationally recognized telecommunications operation and continues developing GlobalTel's market share through market planning, advertising and client follow-through.

**Ranga Anumulapally (Age 27)**

Director, Engineering Since September 1994

Ranga Anumulapally is well-qualified for this professional position. He earned a Bachelor of Science in Computer Science from University of Mysore, India, in 1988 and a Master of Science degree in the field of Computer Science from Florida Atlantic University, Boca Raton, Florida, in 1994. He has nearly five years of professional work experience. Mr. Anumulapally has worked as a Research Consultant at IBM, Boca Raton, Florida for two years, where he has developed sophisticated simulation models to study the performance of the IBM PS/2 computer architectures. He also worked as a Research Engineer for two years for C-DoT (Center for Development of Telematics), India, where he designed and developed call processing software for PBX switching systems. He also worked as a Software Engineer for Sheeba Computers, India and Systems Research Group, India.

As IMT's Director of Engineering, Mr. Anumulapally provides services in the requirements analysis, design, and development of software for sophisticated high-end voice processing systems. His professional responsibilities will include the development, coding and implementation of new application programs to meet current and projected client needs. His other duties will include project management and network administration.

The Company also employs two experienced individuals, Eric D. Arlt and J.R. Humphrey as Vice Presidents of Business Development. Both Eric and J.R. are primarily involved in providing long term financing and financial strategies for the Company.

The following table sets forth the aggregate compensation of the Company's officers and all officers as a group for the current year and the next two years.

### Compensation Table

<u>Name</u>	<u>Position</u>	<u>Aggregate Compensation</u>		
		<u>1994</u>	<u>1995</u>	<u>1996</u>
Steven Williams (1)	President, CEO, Director	\$80,000	\$100,000	\$125,000
Eric Bacon (2)	Executive Vice President	\$55,000	\$70,000	\$85,000
James Artimez (3)	Vice President, Operations, GlobalTel	\$30,000	\$42,000	\$50,000
All officers (3 people)(1)(2)(3)		\$165,000	\$212,000	\$260,000

- (1) The Company approved an employment agreement for Mr. Williams through December 31, 1997. The agreement provides for a base salary of \$80,000 through December 31, 1994, with a \$7,500 bonus if over \$750,000 is raised in this offering. His annual salary is scheduled to increase to \$100,000 through December 31, 1995, and at least \$125,000 for the period ending December 31, 1996. Provided the Company doubles its revenues in each of 1995 and 1996, Mr. Williams is eligible for bonuses of \$25,000 and \$35,000, respectively. Mr. Williams is also entitled to health and life insurance.
- (2) Mr. Bacon's employment agreement with the Company through December 31, 1997, provides for a base annual salary of \$55,000 through December 31, 1994. His annual salary is scheduled to increase to \$70,000 the following year, and at least \$85,000 for the period January 1, 1996 through December 31, 1996. Subject to the approval of the Board of Directors, Mr. Bacon may receive bonuses of \$10,000, \$15,000 and \$20,000 in 1995, 1996 and 1997, respectively. Mr. Bacon may also receive up to 1% of the revenues for new systems he installs, depending on the profitability of each such system.
- (3) Mr. Artimez' employment agreement is through December 31, 1997 and provides for a base annual salary of \$30,000 through December 31, 1994. His annual salary is scheduled to increase to \$42,000 the following year, and at least \$50,000 for the period January 1, 1996 through December 31, 1997. He may be entitled to a (1) \$20,000 bonus in 1995, if 1995 GlobalTel revenues exceed 300% of 1994 revenues, and (2) \$30,000 bonus for 1996, if 1996 GlobalTel revenues exceed 600% of 1994 revenues.

For additional discussion regarding option grants, See "CERTAIN BENEFICIAL OWNERSHIP" below, as well as the footnotes thereto

### DIRECTOR COMPENSATION

Directors are entitled to options to purchase 14,400 shares of Common Stock for each year of service, in addition to all out-of-pocket expenses related to their service to the Company. The options conform in all material respects with all the options previously granted by the Company. The Company is preparing a directors' stock option plan which will be presented to the shareholders of the Company for approval as soon as it is completed. The options expire ten years from the date of grant. The exercise price is set at the market price (or most recent sales price) at the time of grant and in any case will not be less than \$2.25 per share. Thus far only options to purchase 43,200 shares of Common Stock have been granted for Directors. See "OPTIONS". Directors are eligible for options after each year of service.

### NONCOMPETITION AGREEMENTS

Every executive employee, and consultants to the Company, are required to sign and have signed an agreement which prohibits the employee or consultant from using any knowledge or information gained during the relationship with the Company, and for a period of two years after the relationship is terminated, to engage in any activity competitive with the Company's business. The agreements also impose prohibitions against the disclosure of certain confidential trade secret information proprietary to the Company.

### CERTAIN STOCK TRANSACTIONS

The Company, in January 1993, held meetings of its Board of Directors and shareholders, at which meetings, among other things, the Articles and By-laws were amended, Mr. Schwartz was elected as a new director of the Company, certain repurchases of shares were ratified, the number of authorized shares of Common Stock was increased to 5,000,000, a 1000-for-1 stock split was effected, and an offering for up to 400,000 shares of Common Stock was authorized. That offering raised approximately \$225,000.

On February 19, 1993, the Company's Board of Directors and shareholders approved the granting of 40,000 stock options to Mr. Williams, exercisable at \$ 50 per share. On August 13, 1993, the Company's Board of Directors and shareholders approved the granting of employment stock options to Mr. Bacon for 20,000 shares, exercisable at \$ 50 per share, and stock options to Mr. Williams for 175,000 shares, exercisable at \$ 58 per share. The Company's Board of Directors and shareholders additionally approved the granting of 14,400 stock options on an annual basis as compensation for Board Members.

On February 13, 1994, the Company's Board of Directors and shareholders approved the granting of 40,000 additional stock options to Mr. Bacon exercisable at \$ 58 per share and options to Ross Kornfeld for 20,000 shares, exercisable at \$ 58 per share, for his efforts in procuring certain financial assistance in conjunction with the Company's broadening product and service scope.

On February 16, 1994, the Company acquired the business and assets of GlobalTel Service company through a stock for assets transaction, effective March 1, 1994. GlobalTel's owners (Charles Saba and James Artimez) each received 100,000 shares of Common Stock in return for 100% ownership of GlobalTel's assets and client base.

On March 1, 1994, the Company granted options to purchase 100,000 shares of Common Stock at \$2.25 per share to Mr. Williams, options to purchase 50,000 shares of Common Stock at \$2.25 per share to Mr. Bacon and options to purchase 25,000 shares at 2.25 per share to James Artimez in recognition of their performance the past year and for foregoing portions of their compensation in the current year and as an incentive for performance in future years. The Board authorized, on June 30, 1994, the issuance of options to purchase 15,000 shares of Common Stock at \$2.25 per share to Eric Bacon in connection with his contributions to this offering as well as the successful sales and engineering services which he provided to customers and prospective clients in Brazil.

All of the above options were granted in an effort to retain, motivate and incentives the key personnel of the Company, or compensate consultants which provided valuable services to the Company.

Prior to this offering, the shareholders of the Company voted to terminate the Shareholders' Agreement, which agreement restricted the transfer of shares of the common stock.

On July 1, 1994, the Company's Board of Directors adopted the Amended and Restated By-Laws of the Company (the "Restated By-laws"), amending the Company's By-laws to provide for the requirement of outside-director approval for all further stock issuances, option grants and related or affiliated transactions. The Restated By-laws also change the date of the annual shareholders' meeting to the second Tuesday of April of each year. See "RESTATED BY-LAWS" below.

In May of 1995, the Company made an agreement whereby the shares of stock owned by the Company in RSA Comercio e Servicos de Teleinformatica Ltda., ("RSA"), of São Paulo, Brazil, representing a 25% equity interest in that company, were assigned over to that company, in exchange for an agreement for monthly payments to IMT, based on gross revenues. The agreement to that effect, dated the 24th day of May, 1995, was approved.

On June 8, 1995, the Company negotiated a "stock for equipment" transaction with Intersat Satellite International, Ltd. Accordingly, the agreement was implemented and the equipment was paid for by issuing 45,000 shares of stock to Allen Sweeny, a principal shareholder of that company. The equipment obtained will be used in the GlobalTel division and increases GlobalTel's long distance call handling ability by several million calls per month.

The said Allen Sweeny, nominated for appointment to the Board of Directors of this Company effective the 1st day of August, 1995. The authority for the Board of Directors to make this nomination is set forth in Sections 3 and 4, or Article III of the By-laws, authorizing the Directors to fill any vacancy in the Board, pending the next election of Directors by the Stockholders, pursuant to Section 3, of Article III.

On June 22, 1995, the Company signed a stock option agreement with a key employee, Ranga Anumalapally, IMT's Director of Engineering, who has been instrumental in writing and revising some of the Company's software. The agreement is designed to encourage a long term relationship and motivation.

On June 22, 1995, the Company also signed a stock option agreement with Global Trading of South Florida, Inc., a consulting firm used by the Company since the Company commenced its operations. The agreement is designed to encourage a long term relationship between the companies.

On June 16, 1995, the Company signed a MEMORANDUM OF UNDERSTANDING with JAG Unlimited, Inc., a Florida Corporation. This document is a first step toward taking the Company public. An offering would be expected to provide the company with a more reliable source of capital for its continued growth, and to benefit stockholders by providing a market for them to trade their shares.

The final details of the proposed transaction are not complete, however, Javier Investment Group and the Company have agreed that IMT would not be valued at less than \$13 million, or \$5.20 per share in the transaction. The directors approved the concept and directed the officers to continue working on the plan.

### CERTAIN BENEFICIAL OWNERSHIP

Set forth below is certain beneficial ownership information regarding officers and directors (including director nominees) of the Company and the holders of 5% or more of the Company's Common Stock as they exist immediately prior to this offering. The table shows share ownership of such persons, as well as percentage ownership information both before and after (and assuming successful completion, on a fully subscribed basis) of this offering:

		Number of Shares currently Owned*	Percentage of Ownership of Class		
			Before Offering	After Offering	If Warrant Exercised*
1	Steven M. Williams	967000	39.0%	27.7%	37.5%
2	Clarence Elder	245000	10.0	7.0	7.0
3	Gregory T. Kruglak	93906	4.0	2.7	9.9
4	Richard Banconi	161636	6.5	4.6	6.7
5	James Artinez	103300	4.0	3.0	3.7
6	Eric Bacon	7200	.003	.002	.40

\* Does not reflect option rights. See "Options" below described under "Description of Securities."

## OPTIONS TO PURCHASE COMMON STOCK

The following table sets forth the aggregate amount of options, warrants and other rights to acquire Common Stock held by all persons who own such options, warrants or rights

Name of Holder	Number of shares of Common Stock	Exercise Price	Date of Exercisability /Issued
Steven Williams	40,000	\$0.50	1/3 per year/12/31/94
	175,000	\$0.58	1/3 per year/12/31/94
	14,400	\$0.58	3/31/94/Directors Options
	100,000	\$2.25	1/3 per year/12/31/94
	14,400	\$2.25	3/31/95 Directors Options
Eric Bacon	20,000	\$0.50	1/3 per year/12/31/94
	40,000	\$0.58	1/3 per year/12/31/94
	50,000	\$2.25	1/3 per year/12/31/95
	15,000	\$2.25	1/3 per year/12/31/95
Richard Banconi	72,500 and 5,000	\$0.40 and \$2.00	See Note 1 below
Kenneth Schwartz	14,400	\$0.58	3/31/94
Gregory Kruglak	250,000 (approx)	\$1.00	now until 12/31/99
Ross Kornfeld	20,000	\$0.58	3/31/94
James Artimez	25,000	\$2.25	1/3 per year/12/31/95
Ranga Anumulapally	25,000	\$2.25	1/3 per year/12/31/95
Global Trading, Inc	25,000	\$2.25	1/3 per year/12/31/95

Note 1 Banconi has (a) \$29,000 in loans convertible into shares of Common Stock, the options are cancelled once the loan is repaid. Banconi has the right to convert the \$29,000 loan at \$0.40 per share prior to repayment and another loan of \$10,000 convertible at \$2.00 per share.

Each option is exercisable after the period or periods specified above, so long as the holder is then employed by the Company, but no option may be exercisable after the expiration of ten years from the date of grant. The options have anti-dilution provisions and provisions for early exercise upon



a public offering of the Common Stock or upon the occurrence of certain extraordinary transactions. The options are not transferable other than by will or the laws of descent and distribution.

### TRANSFERABILITY

The securities offered hereby have not been registered under the Securities Act of 1933 or the securities laws of most states and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act of 1933 and the Blue Sky Laws (securities laws) of most states. Appropriate documents have been filed with the Securities and Exchange Commission in regard to the exemptions relied on, and appropriate documents have been filed with some States in regard to the exemptions relied on, and are in the process of being filed with most other States.

The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and such laws pursuant to registration or exemption therefrom. See "RISK FACTORS".

### MARKET

On June 16, 1995, IMT signed a "Memorandum of Understanding" with Javier Investment Group, Ltd, an investment banking company located in Coral Springs, FL. The memorandum outlines an agreement for Javier Investment Group to take IMT public in a stock swap transaction. The transaction would value IMT at \$13,000,000 or \$5.20 per share and would provide IMT with \$4,000,000.00 in working capital. The Company is studying, among other issues, the feasibility of the offer, including the potential for its completion and impact on shareholders. A shareholders vote will be held in August with recommendations from the Company's board. The transaction is scheduled to be finalized in late 1995. No trading or other market currently exists for the Common Stock, and there can be no assurance that such a market will develop at any time in the future.

### RESTATED BY-LAWS

The Restated By-laws of the Company, subject to the Articles, provide for the management of the business and affairs of the Company. The Restated By-laws, among other things, provide for maximum indemnification available under law and provisions for advancing officers and directors of the Company the costs and expenses for any proceeding, action or controversy so indemnified.

The Restated By-laws provide that special meetings of the shareholders of the Company can be called by the President, the Board of Directors, or shareholders holding 33% or more of the issued and outstanding shares of the Company. Shareholders holding a majority of the issued and outstanding shares of the Common Stock of the Company can control the Company, act by written consent without holding a meeting, elect directors, authorize additional stock and vote to carry out extraordinary corporate transactions like a merger, sale of assets, share exchange or stock split. Prospective investors are urged to read and review the complete text of the Restated By-laws prior to purchasing Units pursuant to this offering. The By-laws were recently amended to require the Company to obtain approval of a majority of the outside-directors prior to (i) issuing stock, (ii) granting options or (iii) authorizing any transactions with any related or affiliated persons.



## **DETERMINATION OF OFFERING PRICE**

The offering price for the Units and the Common Stock have been determined solely by the Company and such prices should not be considered to be indications of the actual value of the Company, the Units or the Common Stock. Among the factors considered were the financial condition and results of operations of the Company, the recent offering price of the Common Stock, the results of operations of comparable companies, prevailing market conditions and the Company's future prospects.

## **INVESTOR SUITABILITY**

The offering of the Units, and the Units and the underlying Common Stock, has not been registered under the Securities Act, or the securities or "Blue Sky" laws of any State (together with the Securities Act, the "Securities Laws"), and the Units are being offered in reliance upon certain exemptions under such laws. In this connection, and pursuant to such exemptions, offers and sales of Units will be made solely to "accredited investors" as such term is defined in Rule 501(a) of Regulation D ("RULES GOVERNING THE LIMITED OFFER AND SALE OF SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933"). The rule also permits sales from the offering to up to 35 non-accredited investors who meet certain suitability standards discussed below.

Pursuant to Rule 501(a), an individual investor must either (i) have (along with his/her spouse) a net worth which exceeds \$1,000,000 at the time of the purchase or (ii) have had an individual income in excess of \$200,000 in the two most recent years (or joint income with his/her spouse which exceeds \$300,000 in such years) and has a reasonable expectation of reaching the same income level (or joint income level) in 1994. Accredited investors under Rule 501 also include (i) any bank or savings and loan association acting in its individual or fiduciary capacity, any broker-dealer, any insurance company, investment company, business development company, small business investment company or employee benefit plan (a) if the reinvestment decision is made by a fiduciary which is a bank, savings and loan association, insurance company or registered investment advisor or (b) if the plan has total assets in excess of \$5,000,000 or (c) is a self-directed plan, the investment decisions are made solely by persons that are accredited investors, (ii) any private placement development company, (iii) any organization under Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000, and any trust with assets in excess of \$5,000,000 not formed for the purpose of buying the securities, the purchase of which is directed by a "sophisticated" investor, and (iv) any entity in which all equity owners are accredited investors. These matters are more fully set forth in the Subscription Agreement required to be completed by each prospective investor.

Investors will also be required to meet the following suitability standards: (i) they are qualified investors, having a net worth (exclusive of home, furnishings and automobile) equal to at least ten times the purchase price of Units purchased, and have, and anticipate they will continue to have in the future, annual taxable income, equal to the higher of the amount of their investment or \$100,000, (ii) they can bear the economic risk of losing their entire investment in the Company, (iii) their overall commitment to investments which are not readily marketable is not disproportionate to their net worth and their investment in the Units will not cause such overall commitment to be excessive, (iv) they have adequate means of providing for their current needs and

personal contingencies and no need for liquidity in their investment in the Units, and (v) they are capable of evaluation the merits and risks of this offering, and have substantial experience in making investment decisions of this type

Furthermore, the securities will be sold only to persons who represent, among other things (1) that they are acquiring the securities for their own accounts, for investment only and not with a view toward the resale or distribution thereof, (2) that they have such knowledge and experience in financial and business matters, that they are capable, either alone or together with one or more advisors or representatives, of evaluating the merits and risks of investing in the securities offered hereby, (3) that they and their advisors have been provided the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the terms and conditions of the Offering, and to obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, that is necessary to verify the accuracy of the information furnished in this Memorandum or the Offering Documents, (4) that they are aware that the securities have not been registered under any Securities Laws, (5) that they are aware that their right to transfer, convey, assign, pledge or otherwise dispose of their securities is restricted by the Securities Act and by applicable state securities laws; (6) that they are aware there is no market for the securities and that there can be no assurance that such a market will develop, and (7) that certain other matters are true and correct with respect to such persons or their investment

The above suitability standards represent the minimum suitability requirements for prospective purchasers adopted by the Company, the satisfaction of these standards by a prospective purchaser does not, however, necessarily mean or imply that the Units, or the underlying shares of Common Stock, are a suitable investment for such purchaser

### **FINANCIAL STATEMENTS**

The Company retains the firm of Ellingsworth & Miegel, P A , certified public accountants, 1191 U.S. Highway One, Suite 210, North Palm Beach, Florida 33408, to serve as its auditor and accountants, and to certify its financial statements. The Company's financial and audited statements are attached hereto as Exhibit A. Prospective investors are urged to read and review the Financial Statements and notes thereto in their entirety prior to purchasing Units pursuant to this offering. The Company will provide shareholders with quarterly unaudited and annual audited financial statements

### **RISK FACTORS**

A PURCHASE OF UNITS, AND THE UNDERLYING COMMON STOCK INVOLVES A HIGH DEGREE OF RISK INCLUDING, BUT NOT NECESSARILY LIMITED TO, THE RISK FACTORS DESCRIBED BELOW. THEREFORE, UNITS SHOULD NOT BE PURCHASED BY ANY PERSON WHO CANNOT AFFORD THE LOSS OF HIS ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS AND CONSIDERATIONS, AS WELL AS THE OTHER INFORMATION SET FORTH HEREIN AND IN THE EXHIBITS HERETO.

1. Operating History. The Company has conducted operations since June 18, 1991. From June 1991 to date, the Company has expended most of its time and resources researching and developing its products and services. In addition, the Company's business is and will continue to be subject to many factors beyond the Company's (or its management's) control, such as adverse local, regional, national and international economic conditions, telecommunications costs, competition, regulation and costs of products and operations.

2. Uncertain Regulation, Foreign and Domestic Laws. The Company is susceptible to the changing United States and foreign laws relating to the telecommunications industries. Although the current trend in the United States and most other market oriented countries is toward less regulation, it is possible that a regulation or law in the U.S., or a foreign country may curtail, or entirely prohibit one or more of the company's Products, Services or Licensee operations in the affected market.

3. Limited Revenues and Losses From Products and Services to Date. Since 1991, the Company has focused a substantial part of its efforts on research and development of its technology. Although the Company has more than doubled its revenues in each of the past three years, the amount of revenues has been limited to date, and income has been exceeded by increased expenses and development costs resulting in operating losses during each of the fiscal years that the Company has been in business and a loss could result in upcoming years as well.

4. Need for Additional Financing, Dilution. The Company believes that the net proceeds of this offering will permit the Company to meet its working capital needs for a limited period. A portion of the net proceeds from this offering are being utilized bring the company current with regard to certain outstanding payables, obligations and liabilities. In order to develop its products, services and technology further, and to promote, market and sell its products and services on a profitable basis, the Company believes that it may require additional capital beyond that which will be raised as a result of this offering (even assuming that this offering is fully subscribed). Accordingly, the Company is seeking to raise additional capital through the issuance of additional shares of Common Stock (or other equity securities), debt securities, loans, conventional financing or a combination thereof. The Company recently signed a Memorandum of Understanding with an investment banking firm in regard to taking the Company public in late 1995 or early 1996. However, no assurance can be made that any such Public Offering will be initiated or, if initiated, will be successful or will result in the raising of capital for the Company on a positive or favorable basis, or on any basis. In addition, although the Company anticipates that the offering price per share of Common Stock in any such Public Offering would be higher than the approximately \$2.00 per share price of this offering, no assurance can be given that the price per share of Common Stock in any such Public Offering will exceed the current offering price, that the Public Offering price will not be lower than the current offering price, or that the Public Offering will be subscribed for at any price. Moreover, there can be no assurance that additional financing will be available to the Company on commercially reasonable or otherwise acceptable terms. Failure to obtain any such additional financing, among other things, could limit the Company's ability to undertake significant sales or marketing efforts for its product line and could materially and adversely affect the business, operations, revenues, earnings, profitability and prospects of the Company.

5. Immediate Dilution. Purchasers of Units offered hereby will incur dilution in the book value per share of Common Stock. Although the offering price allocable to each share of Common Stock is \$2.00 per share, immediately following this offering (assuming the offering is fully subscribed), the net tangible book value (on a liquidation basis) of the Company, on a per share basis, will be less than

\$ .47 (exclusive of any and all costs associated with such a liquidation) Purchasers of the shares of Common Stock included in the Units offered hereby will experience substantially greater dilution when the Options are taken into account. 910,700 shares of Common Stock are covered by Options. Exercise prices on the options range between \$0.40 per share and \$2.25 per share. If all options are exercised, total capital raised from the options would be approximately \$1,000,000.

6. Dependence on Key Personnel The operation of some of the Company's business interests and the expansion into other products, services and markets, has been dependent upon the efforts of Steven M. Williams, the Company's founder, President, Chief Executive Officer and principal shareholder. Mr. Williams beneficially owns approximately 37% of the Company's currently outstanding Common Stock. The Company has entered into a three-year employment agreement and noncompetition and nondisclosure agreement with Mr. Williams, requiring Mr. Williams to dedicate his full attention and efforts to the Company during the entire term of the agreement. Mr. Williams oversees the Company's marketing, promotion and sales efforts, developing marketing and sales strategies for the Company. Mr. Williams currently handles direct contract negotiations, raises capital, gives direction to the technical support on ultimate end uses and needs and performs all functions normally incident to the office of President of the Company. All major decisions regarding the Company's business are made by him and the loss or interruption of his services could have a material adverse effect on the Company's business, operations, revenues, earnings, profitability and prospects. The Company has purchased a \$500,000 "Key Man" life insurance policy on the life of Mr. Williams. IMT is the named beneficiary.

The Company's technical operations are dependent upon the services of Eric Bacon, the Company's Executive Vice President, Chief Engineer and software designer. Mr. Bacon has entered into a three-year noncompetition, nondisclosure and employment agreement with the Company, requiring him to dedicate his full attention and efforts to the Company during those three years. There can be no assurance, however, that Mr. Bacon will continue to work for the Company during the entire term of the agreement, nor can there be any assurance that his efforts can produce revenues, earnings or profits for the Company. Mr. Bacon oversees the Company's technology and engineering, developing and designing of software for the Company. Mr. Bacon gives direction to the Company's technical development and performs all functions normally incident to the office of Chief Engineer of the Company. All major decisions regarding the Company's technology are made by him and the loss or interruption of his services, for any reason, could have a material adverse effect on the Company's business, revenues, earnings, profitability and prospects. The Company has purchased a \$250,000 "key-man" life insurance policy on the life of Mr. Bacon. IMT is the named beneficiary.

7. Competition The Company offers multiple telephony based products, services and technologies, and does business in multiple markets. Each of these products, services and technologies has competition in each of the markets in which the Company does business. The Company is aware of several companies involved in the interactive telephone development business pertaining to the development, sales and marketing of bulk call processing technology in the U.S. and in some of its markets abroad, although there are fewer competitors in Brazil and other developing countries requiring E-1 technology. IBM, Unysis, Octel, Intervice and other large companies all compete in the global telecommunications market. Several companies are developing home shopping concepts that could ultimately compete with BIDtv™ and others are likely to enter the competition in this segment of the market as well. The Company's GlobalTel operations in South America and other countries have many competing companies providing many of the same or similar services. IMT's "Residual Licensees" such as RSA Teleinformatica and Barcelona, Ltda., have some limited



competition in Brazil. The barriers to enter the bulk call handling industry are somewhat difficult while the international call-back markets are relatively modest. A significant barrier to competitors, is creating the field-tested systems and software which the Company has, and on which the Company's products and services are dependent. However, competition will increase as technology and the market progresses. The Company presently has copyright protection with respect to its core base of interactive telephone software and a U.S. Trademark on the name BIDtv™. See "Very Limited Proprietary Protection" below. Although protection may not be significant, the Company has taken measures to make it difficult to copy its software, and believes that its software programs would be difficult (but not impossible) to copy. In addition, other commercially available software could be modified over time to be utilized to effect many of the operational functions of the Company's software. Some of the Company's potential competitors could include any of the existing telephone companies, telephone equipment manufacturers, broadcast companies, music companies and of course, interactive software, cable and broadcast television providers. Many of the Company's potential competitors have far greater financial and technical resources, longer operating histories and greater industry name recognition than does the Company. The ability of the Company to compete effectively in its anticipated markets depends importantly upon a number of factors beyond the Company's (or its management's) control.

8 Decreasing Rates for Foreign International Calls. In most countries, notably the developing countries and emerging market countries, the government owns the telephone company, or a majority interest in it, and international calling rates are significantly higher. There is pressure on these government owned telephone companies to reduce these rates. Such pressure may result in reduced rates in many such countries. Continuing efforts could result in competitive rates world-wide and thus reduce the need and profitability of some of the Company's services. While in the short-term, there may be opportunities, in the long-term, such opportunities may be reduced. There can be no assurance that reduced rates on international calls will not have a material and adverse affect on the business, operations, revenues, earnings, profitability and prospects of the GlobalTel Division of the Company.

9 Potential Legalities Involving International Call-Back Service. The Federal Communications Commission ("FCC") has determined that international call-back services are a legal business activity in the U.S., and issues a section 214 Certification to qualified applicants. However, the concept and technology is new and most other countries have not considered the issue yet. Nor are there any known treaties which deal with the legality of Call-back. IMT's GlobalTel division provides international telecommunications services by reselling public switched telephone network services that use an uncompleted call signalling configuration ("Call-back"). The Company has obtained a Section 214 Certification from the Federal Communications Commission ("FCC"), which certification is necessary to resell international telephone service. However, as with any FCC license, no assurance can be made that such a certification will continue to be approved by the FCC.

10 International Business. The Company's foreign operations are conducted through its home office in Boca Raton, Florida and through several international facilities. These foreign operations account for a significant percentage of the Company's revenues. Such operations continue to be subject to the customary risks of operating in an international environment, including the potential imposition of trade or foreign exchange restrictions, tariff increases and unstable political situations. In addition, although most of the Company's foreign business transactions are conducted in U.S. Dollars, the Company's financial results are subject to fluctuations in foreign currency exchange rates within the countries where it operates.

11 Limited Proprietary Protection The Company has U.S. copyright protection on its core interactive telephone software and has registered the marks "BIDtv," and "Bidtv" stylized, with the United States Patent and Trademark Office. The Company may apply for a United States patent on various aspects of the function and design of the technical applications, although no assurance can be given as to whether a patent will be applied for or be issued, or, if issued, as to the breadth, scope or degree of protection (if any) such patent could or would offer the Company. Further, the Company may be unable, for financial or other reasons, to enforce the rights under any patent or other intellectual property right it acquires and other competing entities may develop equivalent or superior software or equipment without infringing upon the Company's patent. The Company has obtained a U.S. copyright on its core software. Since a copyright primarily protects written expressions and not ideas, concepts or principles, the Company's copyrights, may not afford protection against competitors who independently develop comparable software. The Company has entered, and intends to enter, into confidentiality and non-compete agreements with all of its key employees and some of its consultants and affiliates. These agreements provide, that, during the term of each agreement, the employee, consultant or affiliate may not engage in any activity competitive with the Company's business. The agreements also impose and will impose prohibitions against an employee, consultant or affiliate's disclosure of certain confidential information. The agreements also contain covenants not to compete for a period of one to three years. There can be no assurance that these agreements will protect the Company from unauthorized disclosure or use of its proprietary information or from injurious competition, nor can there be any assurance that these agreements (or as to what extent these agreements) will be held to be enforceable by a court if they are contested by an employee, consultant or affiliate of the Company.

12. Limited Transferability of Shares, Lack of Trading Market Although the Company is planning a public offering within the next six months, prospective investors should be aware of the long-term nature of, and the lack of liquidity with respect to, an investment in the securities of the Company offered hereby. Neither the Units nor the Common Stock is registered under the Securities Act or under any applicable State securities laws. The securities must be acquired for investment purposes only, and not with an intent to resell or distribute to others, and the Company is relying upon each prospective investor's representation of this investment intent and as to other matters in claiming the availability of registration exemptions under the Securities Act and applicable State securities laws. In addition, no trading or other market exists for the Common Stock, nor can there be any assurance that one will develop at any time in the future. Further, the Company intends to register the Common Stock (go public) with the Securities and Exchange Commission (the "SEC") after achieving certain financial requirements for a period of time and when, in the limited discretion of the Company and its financial advisers, the timing is appropriate. And while the Company might otherwise consider a registered public offering of its securities at an appropriate time in the future, there can be no assurance that such a registered offering will be attempted or effected, or that a public market for the securities will ever develop. In addition, the Company is under no obligation to register the Common Stock under the Securities Act or any State securities law. The right of any purchaser to sell, transfer, pledge or otherwise dispose of the Common Stock will be limited, among other things, by the Securities Act and State securities laws and the regulations promulgated thereunder. The Common Stock may not be transferred or resold except as permitted under the Securities Act and such State securities laws pursuant to registration or exemption therefrom. Consequently, a holder of Units may not be able to sell, transfer or otherwise liquidate his investment for an indefinite period of time.

13 Line of Credit Agreement On October 27, 1994, the Company entered into a line of credit agreement with one of its principal shareholders, "The Gregory T. Kruglak Revocable Trust" in the amount of \$250,000. The loan was for the purpose of providing working capital and to finance the purchase of equipment for operations in Brazil. The terms of the loan provides for the assignment of most of the company's assets as collateral. In the event of a default, the Company is subject to lose a substantial portion of its assets unless other arrangements are made. The Company intends to repay all of the loan using proceeds obtained in this offering and cancel the agreement.

14. Control of the Company Assuming that the offering is fully subscribed, immediately following the offering, the Company's existing shareholders (i.e., those holders of record immediately prior to the offering) will own beneficially approximately 70% of the issued and outstanding shares of Common Stock of the Company (assuming the options are not exercised). Purchasers of Units, and the underlying Common Stock, offered hereby will be minority shareholders of the Company and, although entitled to vote on any matters that require shareholder approval and although given other rights under Florida law, will not be able to control the outcome of such votes. Accordingly, the current shareholders, if acting together, will be able to elect all directors, and to dissolve, merge or sell the assets of the Company or otherwise direct the affairs of the Company. The Company's Board of Directors is also empowered to take many important actions without shareholder consent (including, without limitation, the issuance and sale of additional authorized shares of Common Stock of the Company on such terms as it deems appropriate).

15. No Dividends. The Company has paid no cash dividends since its inception, does not anticipate paying any dividends in the near future and intends to retain reasonable earnings, if any, to provide funds for general corporate purposes and the expansion of the Company's business. Payment of dividends on the Common Stock is within the discretion of the Board of Directors and will depend upon the Company's earnings, capital requirements and financial condition, and other relevant factors.

### ADDITIONAL INFORMATION

The Company will make available to any prospective investor any additional information which it possesses, or which it can acquire without unreasonable effort or expense, necessary to verify or supplement the information set forth herein. Each offeree may, if he so desires, make inquiries of the Company with respect to the company's business or any other matters relating to the Company or an investment in the securities thereof, and may obtain any additional information which such person deems to be necessary in order to verify the accuracy of the information contained in this Memorandum (to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense). In connection with such inquiry, any documents which any offeree wishes to review will be made available for inspection and copying or provided, upon request, subject to the offeree's agreement to maintain such information in strict confidence and to return the same to the Company if the recipient does not purchase the securities offered hereunder. Any such inquiries or requests for additional information or documents should be made to the Company as follows: Interactive Media Technologies, Inc., 5550 Glades Road, Suite 409, Boca Raton, Florida 33431, Attention: Steven M. Williams, President, (407) 368-2010.



**FINANCIAL STATEMENTS**

**EXHIBIT A**

INTERACTIVE MEDIA TECHNOLOGIES, INC.  
FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 1994

TABLE OF CONTENTS

ACCOUNTANTS' REPORT .....	1
BALANCE SHEET AS OF DECEMBER 31, 1994 .....	2
STATEMENT OF INCOME (LOSS) AND RETAINED EARNINGS AS OF DECEMBER 31, 1994 .....	3
STATEMENT OF CASH FLOWS .....	4
NOTES TO THE FINANCIAL STATEMENTS .....	5

# ELLINGSWORTH & MIEGEL, P.A.

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W. HOWARD ELLINGSWORTH, CPA

SCOTT R. MIEGEL, SR., CPA

To the Board of Directors and Stockholders  
INTERACTIVE MEDIA TECHNOLOGIES, INC.  
5550 Glades Road, Suite 409  
Boca Raton, Florida 33431

We have audited the accompanying balance sheet of INTERACTIVE MEDIA TECHNOLOGIES, INC. (formerly known as Radioactive Radio Network, Inc.) as of December 31, 1994, and the related statement of income, loss and retained earnings and statement of cash flows for the period of January 1, 1994 to December 31, 1994, in accordance with standards established by the American Institute of Certified Public Accountants. All information contained in these financial statements is the representation of the management of INTERACTIVE MEDIA TECHNOLOGIES, INC. Our responsibility is to express an opinion on these statements based on our audit.

Except as provided in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Inadequate accounting records prevented us from verifying the correct classification of certain expenses made during the year. Because of this, we were unable to satisfy ourselves that all expenses recorded on the Statement of Income (Loss) and Retained Earnings were correctly classified.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of INTERACTIVE MEDIA TECHNOLOGIES, INC., at December 31, 1994, and the related statements of income, loss and retained earnings and cash flows through December 31, 1994 in conformity with generally accepted auditing principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses from operations and has a net capital deficiency, which raise substantial doubt about its ability to continue as a going concern. Management's plans

ACCOUNTANTS' REPORT  
Continued...

regarding those matters also are described in Note #8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

*Ellingsworth & Miegel PA*

Ellingsworth & Miegel, PA  
Certified Public Accountants

July 20, 1995

**INTERACTIVE MEDIA TECHNOLOGIES, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 1994**

	12/31/94
<b><u>ASSETS</u></b> (Note 1 )	
CASH IN BANK	\$61,154
ACCOUNTS RECEIVABLE- TRADE	7,600
	68,754
TOTAL CURRENT ASSETS	
EQUIPMENT- COMPUTER & EDP ITEMS ( Notes 1,5 )	107,440
COMPUTER SOFTWARE PRODUCT CAPITALIZED ( Note 1 )	87,817
LESS: ACCUMULATED DEPRECIATION AND AMORTIZATION	(19,964)
	175,293
NET EQUIPMENT AND CAPITALIZED COMPUTER SOFTWARE PRODUCT COSTS	
<b><u>OTHER ASSETS</u></b>	
DEPOSITS	1,500
INVESTMENT IN FOREIGN COMPANY ( Note 4 )	-
	1,500
TOTAL OTHER ASSETS	
TOTAL ASSETS	\$245,547
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b> (Note 1 )	
ACCOUNTS PAYABLE - TRADE	\$167,592
ACCRUED PAYROLL AND TAXES- STOCKHOLDER ( Note 3 )	29,071
ACCRUED INTEREST PAYABLE	9,513
LOANS PAYABLE- STOCKHOLDERS ( Note 2 )	242,394
CONTINGENT LIABILITIES ( Note 6 )	-
INCOME TAXES PAYABLE	-
	448,570
TOTAL CURRENT LIABILITIES	
CAPITAL STOCK (5,000,000 Shares authorized, 2,527,270 issued and outstanding, \$0.01 par value )	25,273
ADDITIONAL PAID IN CAPITAL	413,424
RETAINED EARNINGS ( DEFICIT )	(641,720)
	(203,023)
TOTAL STOCKHOLDERS' EQUITY	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$245,547

The accompanying notes are an integral part of these financial statements.

**INTERACTIVE MEDIA TECHNOLOGIES, INC.**  
**STATEMENT OF INCOME (LOSS) AND RETAINED EARNINGS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 1994**

	12/31/94
REVENUE:	
CALLBACK / PAY-PER-CALL REVENUE	\$252,540
EQUIPMENT SALES AND SETUP FEES	104,737
	357,277
TOTAL REVENUE	357,277
COST OF REVENUE:	
CARRIER LINE USAGE CHARGES	195,172
COST OF EQUIPMENT SOLD	119,216
	314,388
TOTAL COST OF REVENUE	314,388
GROSS PROFIT	42,889
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:	
CONTRACT LABOR COSTS	143,153
DUES, SUBSCRIPTIONS AND LICENSE FEES	1,423
EQUIPMENT RENTAL COSTS	1,077
MEDICAL BENEFITS	7,217
INTEREST EXPENSE, BANK FEES AND CARD DISCOUNTS	16,206
OFFICER COMPENSATION AND RELATED PAYROLL TAXES	92,777
OFFICE SUPPLIES & EXPENSE	13,243
TELEPHONE SERVICE	37,586
DELIVERY AND OVERNIGHT MAIL	5,696
PRINTING	8,145
LEGAL AND ACCOUNTING FEES	23,863
RENT	24,119
TRAVEL AND ENTERTAINMENT	38,132
SELLING AND MARKETING	12,977
DEPRECIATION AND AMORTIZATION	14,608
	440,222
TOTAL EXPENSES	440,222
NET OPERATING LOSS FROM OPERATIONS BEFORE INCOME TAXES	(397,333)
INCOME TAXES:	
CURRENT	-
DEFERRED	-
	0
TOTAL INCOME TAX EXPENSE	0
NET OPERATING LOSS AFTER INCOME TAX	(397,333)
RETAINED EARNINGS (DEFICIT)- JANUARY 1, 1994	(244,387)
RETAINED EARNINGS (DEFICIT)- DECEMBER 31, 1994	(\$641,720)

The accompanying notes are an integral part of these financial statements.

**INTERACTIVE MEDIA TECHNOLOGIES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 1994**

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	12/31/94
NET INCOME (LOSS)	(\$397,333)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
-DEPRECIATION AND AMORTIZATION	14,608
INCREASE OR DECREASE IN:	
-INCREASE IN ACCOUNTS RECEIVABLE TRADE	(6,001)
-DECREASE IN DEPOSITS	3,200
-INCREASE IN ACCOUNTS PAYABLE TRADE	140,416
-INCREASE IN ACCRUED INTEREST PAYABLE	8,481
-INCREASE IN ACCRUED PAYROLL AND TAXES PAYABLE	29,071
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	(207,558)
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
-PURCHASES OF ASSETS	(72,724)
-SOFTWARE DEVELOPMENT COSTS CAPITALIZED	(33,356)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(106,080)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
NEW BORROWINGS	
-SHORT-TERM	209,394
ADDITIONAL STOCK ISSUED	5,489
ADDITIONAL CONTRIBUTED CAPITAL	146,878
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	361,761
NET INCREASE ( DECREASE ) IN CASH	48,123
CASH AT BEGINNING OF YEAR	13,031
CASH AT END OF YEAR	\$61,154

The accompanying notes are an integral part of these financial statements.



INTERACTIVE MEDIA TECHNOLOGIES, INC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED DECEMBER 31, 1994

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of INTERACTIVE MEDIA TECHNOLOGIES, INC is presented to assist in understanding the company's financial statements. The financial statements and notes are the representations of the Company's management who is responsible for their accuracy and integrity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of these financial statements.

**BUSINESS ACTIVITY-** The Company's primary business is the development and use of interactive telephone software, hardware and related television and video programming.

The Company is a Florida Corporation, and was formed June 18, 1991. On December 10, 1993, the Company filed appropriate papers with the State of Florida to change the name to Interactive Media Technologies, Inc.

**ACCOUNTS RECEIVABLE-** The Company's policy is to recognize revenue when earned, and the related expenses when incurred, using an accrual basis of accounting.

**EQUIPMENT-** All equipment is carried at cost. Depreciation of equipment is provided using the straight-line method for financial statement purposes at rates based on the following estimated useful lives:

EQUIPMENT- COMPUTER & EDP ITEMS	5 years
FURNITURE AND FIXTURES	7 years

For federal income tax purposes, depreciation is computed using the accelerated cost recovery system and modified accelerated cost recovery system. Expenditures for maintenance and repairs are charged to expense as incurred.

**INCOME TAXES-** Certain items of income and expense are recognized for income tax purposes in different periods from those in which such items are recognized for financial reporting purposes. All such items result from different depreciation methods used for financial reporting purposes versus tax reporting purposes.

The company has no income tax liability as of the date of the balance sheet.

**COMPUTER SOFTWARE PRODUCT CAPITALIZED-** The company has a policy to expense all research and development costs on proprietary software until such time as technological feasibility is established in accordance with FASB 86. Once the technological feasibility has been established, and a complete product design and working model exists, all costs related to the production of a product master are then capitalized. The capitalized costs of this proprietary software is amortized over a period of 7 years using a straight-line amortization method.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

During 1994, the Company worked on developing several new proprietary software programs. The programs include a general telephone service bureau network system and a voice mail and calling/debit card system. These systems allow regulated telecommunications businesses to provide a variety of enhanced services to their customers.

**CAPITAL STOCK-** The Company authorized a 1000-for-1 stock split on February 3, 1993, which increased the authorized common stock to 5,000,000 shares. The par value of the stock was adjusted to \$0.01 per share.

### NOTE 2. LOANS PAYABLE- STOCKHOLDERS

Loans payable consists of mostly short-term loans ranging from 8% to 12% annual interest rates. Loans payable as of December 31, 1994 were as follows:

	Annual Rate	Total 12/31/94
a) Loan Payable- Related Party	8-10%	\$ 39,000
b) Loan Payable- Related Party	8%	10,000
c) Loan Payable- Related Party	8%	5,000
d) Loan Payable- Related Party	12%	188,394
		\$242,394

The lenders have options to convert the loans to common stock at various rates ranging from \$0.40 to \$2.00 per share. Such options expire upon loan maturity. All loans mature within the next 12 months ending December 31, 1995. The item (d) is a line-of-credit which is collateralized by a lien on all assets of the Company, including proprietary software developed by the Company.

### NOTE 3. RELATED PARTY TRANSACTIONS

During the period from January 1, 1994 and December 31, 1994, certain stock options were granted to certain shareholders in return for services rendered. The total stock options outstanding as of December 31, 1994 were as follows:

Shares at \$2.50 per share	50,000
Shares at \$2.25 per share	190,000
Shares at \$1.00 per share	250,000
Shares at \$0.58 per share	263,800
Shares at \$0.50 per share	60,000
Shares at \$0.40 per share	72,500
Total Stock Options Outstanding	886,300

## NOTES TO THE FINANCIAL STATEMENTS

Continued

During the 12 months ended December 31, 1994, a total of 423,799 such options were granted

Also, during the periods referenced in the note, certain compensation was paid to various stockholders for technical and professional consulting services rendered. The following amounts had been paid as compensation in the form of consulting fees and payroll

Contract Labor Costs	\$ 127,814
Officer Compensation	\$ 87,500
Total Compensation paid to stockholders during 1994	\$ 215,314

Certain amounts are included in the Statement of Income (Loss) and Earnings under the captions "Contract Labor Costs" and "Officer Compensation and Related Payroll Taxes". The largest stockholder also had an employment agreement with the company during the year which called for annual compensation for 1994 of \$80,000, plus a mandatory cash bonus of \$7,500. During 1994, the Company paid the stockholder \$68,983. Therefore, the Company has included an accrual on the balance sheet under the caption "Accrued Payroll and Taxes - Stockholder" for \$29,071, which represents accrued compensation of \$18,517, and accrued payroll taxes of \$10,554.

### NOTE 4. INVESTMENT IN FOREIGN COMPANY

On December 13, 1993, an agreement was signed by INTERACTIVE MEDIA TECHNOLOGIES, INC. and RSA Comerico Servicos de Teleinformatica, a Brazil corporation, whereby INTERACTIVE MEDIA TECHNOLOGIES, INC. was granted a 20% ownership interest in the Brazilian corporation in exchange for certain rights and services. In addition, the Brazilian corporation has committed to purchase through INTERACTIVE MEDIA TECHNOLOGIES, INC. certain equipment and services as part of the agreement. The amount of the equipment and services has been set at \$137,400.

As of December 31, 1994, transactions between the two corporations were as follows

EQUIPMENT SALES AND SETUP FEES	\$ 104,212
COST OF EQUIPMENT SOLD	\$ 119,216
GROSS PROFIT	\$ (15,004)

SUBSEQUENT EVENT In May 1995, Interactive Media Technologies, Inc. returned its equity interest in this company in exchange for certain guaranteed payments from said company, such payments ranging between 2% - 10% of the Brazilian company's gross revenues, depending on the type of service.

## NOTES TO THE FINANCIAL STATEMENTS

Continued

### NOTE 5. PURCHASE ASSETS OF A BUSINESS

Effective March 1, 1994, INTERACTIVE MEDIA TECHNOLOGIES, INC. purchased all of the assets and operating rights, including any intangible assets, of the unincorporated business known as GLOBALTEL SERVICE located in Boca Raton, Florida.

GLOBALTEL SERVICE is an international call-back service which owns and operates a computer voice processing system which is capable of providing call processing services such as routing, re-directing, call progress, database collections, billings and other call processing services.

INTERACTIVE MEDIA TECHNOLOGIES, INC. agreed to pay \$30,000 cash to the seller within 120 days from the effective date of the agreement and to issue the seller 200,000 shares of stock within 10 days of the execution of said agreement. In addition, the company agreed to issue additional shares of stock to the seller based on the attainment of certain monthly revenue projections. The Company has paid a total of \$30,000 as of December 31, 1994. The \$30,000 is included on the Balance Sheet under the caption "EQUIPMENT- Computer and EDP Items".

### NOTE 6. CONTINGENT LIABILITIES

During 1994, with the exception of the officer mentioned in Note #3 above, the Company elected to treat all compensation paid for services as contract labor. Therefore the Company did not treat these compensated individuals as employees, and did not withhold any payroll taxes. The Internal Revenue Service may deem this inappropriate and assess various employment related taxes and penalties for 1994. The amount of such a possible assessment cannot be determined.

### NOTE 7. INADEQUATE ACCOUNTING RECORDS

Due to several changes in bookkeeping personnel and their lack of complete knowledge of the Company's accounting procedures, the new and complex nature of the Company's highly technical and international operations, and several complicated revisions in international sales of the Company's systems and services, some expenses of the Company were not classified according to standard accounting procedures as set forth by the Financial Accounting Standards Board. The Company has since made corrections in its accounting procedures to avoid recurrence of this in 1995.

### NOTE 8. GOING CONCERN

The Company experienced significant increases in revenues in 1994 and although most of the Company's products and services were still in the development and testing stages, the Company focused its revenue potential in Brazil. However, several adverse Brazilian economic and legal conditions affected the Company's ability to convert a substantial amount of the revenue potential in connection with its

## NOTES TO THE FINANCIAL STATEMENTS

Continued

Licensee, RSA Comercio Servicos de Teleinformatica which created a larger loss than expected for 1994. The Company has since altered its agreements with its licensee(s) and created a local and legal Brazilian entity (IMT, LTDA) to conduct and monitor its operations in Brazil. The Company expects these efforts will help prevent a repeat occurrence of such lost revenues and profits.

### NOTE 9. CONTINGENT GAIN

The Company is in the process of filing a legal action against one of its Licensees, RSA Comercio Servicos de Teleinformatica in the amount of \$300,000. The Company has obtained substantial evidence to suggest that RSA's management team misappropriated a substantial portion of RSA's 1994 profits to fund two other unrelated companies in which Interactive Media Technologies, Inc. has no interest. The Company was a 25% shareholder of RSA and was not consulted on the transaction. The Company has since renegotiated its license agreements to prevent the reoccurrence of this type of exposure.

08/02/95

## Balance Sheet

As of June 30, 1995

Jun 30, '95

**ASSETS****Current Assets****Checking/Savings**

Cash - Nations Bank - Skynet	318 63
Cash - Nations Bank-Globaltel	5,831 10
Cash - Nations Bank-IMT	78,656 16
Loan Issued	875 00
Transfer of funds	-88,086 25

**Total Checking/Savings** -2,405 36

**Accounts Receivable**

Miscellaneous Receivable -1,010 00

**Total Accounts Receivable** -1,010 00

**Other Current Assets**

Capitalized Software	55,953 75
Deposits	1,964 00

**Total Other Current Assets** 57,917 75

**Total Current Assets** 54,502 39

**Fixed Assets**

Accumulated Depreciation -19,964 00

**Fixed Assets**

Computer Equip - Software	21,730 89
Computer Equipment-hardware	128,121 73
Furniture	6,065 42
Office Telephone Equipment	1,389 66

**Total Fixed Assets** 157,307 70

**Total Fixed Assets** 137,343 70

**Other Assets**

Globaltel Acquisition 22,530 00

**Total Other Assets** 22,530 00

**TOTAL ASSETS** 214,376.09

**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

Accounts Payable 2,251 58

**Total Accounts Payable** 2,251 58

**Other Current Liabilities**

Accrued Interest Payable 6,462 84

Accrued Payroll and Taxes 29,071 00

**Loans Payable**

Loan Payable - Banconi 37,500 00

Loan payable - Coherent Comm 10,000 00

Loan Payable - I. Schwartz 5,000 00

Loan Payable - Kruglak 213,394 00

Loan Payable - R. Brough 10,000 00

Loans Payable - Other -10,000 00

**Total Loans Payable** 265,894 00

**Payroll Liability**

Federal Withholding -2,730 60

**FICA**

Employee -3,689 86

Employer -5,509 60

FICA - Other 2,462 03

**Total FICA** -6,737 43

**FUTA** -257 20

**SUI** -679 06

08/02/95

## Balance Sheet

As of June 30, 1995

Jun 30, '95

Total Payroll Liability	-10,404.29
Total Other Current Liabilities	291,023.55
Total Current Liabilities	293,275.13
Total Liabilities	293,275.13
Equity	
Additional Paid in Capital	
Stock Issue Cost - Consulting	-15,445.00
Stock Issue Cost - Dues, Fees	96.25
Stock Issue Cost - Legal	-3,180.15
Stock Issue Cost - Marketing	-3,693.13
Stock Issue Cost - Office Supp.	-1,623.62
Stock Issue Cost - Postage	-4,991.89
Stock Issue Cost - Printing	-10,480.63
Stock Issue Cost - Rent	-12,491.88
Stock Issue Cost - Secretary	-4,326.60
Stock Issue Cost - Selling Cost	-99,395.53
Stock Issue Cost - Telephone	-5,253.32
Stock Issue Cost - Utilities	-14,291.45
Additional Paid in Capital - Other	626,250.59
Total Additional Paid in Capital	450,971.14
Common Stock	281,305.82
Retained Earnings	-610,719.93
Net Income	194,456.07
Total Equity	78,659.04
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>214,374.09</u></b>



08/02/95

## Profit and Loss

### January through June 1995

Jan - Jun '95

Income		
Sales - 1-800/1-800 lines		491 05
Sales - Callback		184 098 96
Sales - Computer/Equipment sales		53 260 13
Sales - Promotion Services		42 625 00
Total Income		280 475 94
Cost of Goods Sold		
800/800 Promotional Use		19 678 75
IMTSA Hardware Purchases		62 304 30
IMTSA Other Purchases		171 00
ReDirector Line Usage		98 518 42
Total COGS		180 672 47
Gross Profit		99 803 47
Expense		
OPERATING EXPENSES		
General & Administrative		
Literature	2 25	
Bank Service Charges	1 391 60	
Computer Maintenance	1 531 80	
Copyright	28 00	
Credit Card Discount		
Amex	649 00	
Visa / MC	4 888 80	
Total Credit Card Discount	5 537 80	
Dues and Subscriptions		
Magazines/Newspapers	213 36	
On line Computer Services	17 90	
Dues and Subscriptions - Other	275 00	
Total Dues and Subscriptions	506 26	
Equipment Rental	2 033 63	
General Office Maintenance	61 42	
Health Benefits		
Health Insurance	3 946 51	
Life Insurance	632 25	
Health Benefits - Other	200 00	
Total Health Benefits	4 778 76	
Interest Expense	366 68	
Labor		
Charles Saba	4 615 34	
Elisha O'Brien	448 00	
Eric Bacon	13 416 69	
Gene Williams	7 549 96	
James Artinez	8 302 68	
Jamie Cramer	175 00	
Peggy Bacon	2 005 48	
Ranga Anumalapally	4 664 10	
Steve Williams	18 884 02	
Temporary Help	304 00	
Labor - Other	2 264 00	
Total Labor	62 629 27	
Miscellaneous	358 54	
Moving/Transfer	20 00	
Office equipment maintenance	253 89	
Office Supplies	2 544 14	
Office Telephone		
Cellular Phone	231 79	
Pager	76 01	
Office Telephone - Other	47 451 27	
Total Office Telephone	47 759 07	

08/02/95

## Profit and Loss

January through June 1995

	Jan - Jun '95
Payroll Expense	
ADP Processing Fees	233 55
Gross Wages	72,495 36
Payroll Expense - Other	2,075 76
<b>Total Payroll Expense</b>	<b>74,804 67</b>
Payroll Taxes	
FICA	13,074 35
FUTA	-1,845 43
<b>Total Payroll Taxes</b>	<b>11,228 92</b>
Pending	1,937 54
Postage and Delivery	3,204 64
Printing (general)	1,107 83
Professional Fees	
Accounting/Financial	8,000 00
Computer Consulting	150 69
Legal	21,885 56
<b>Total Professional Fees</b>	<b>30,036 25</b>
Rent	6,606 21
Sila Abreu	1,081 00
Travel & Ent	
lodging	963 38
Meals	
Eat In	821 49
Eat Out	778 78
Meals - Other	1,473 05
<b>Total Meals</b>	<b>3,073 32</b>
Travel	5,113 67
Travel & Ent - Other	13,895 45
<b>Total Travel &amp; Ent</b>	<b>23,065 82</b>
<b>Total General &amp; Administrative</b>	<b>282,898 29</b>
Selling & Marketing Expenses	
Advertising	
Debit Cards	1,009 19
Marketing Consulting	843 90
Promotional meetings/seminars	1,109 70
<b>Total Advertising</b>	<b>2,962 79</b>
Commissions on sales	
Promotional	1,007 50
Commissions on sales - Other	150 00
<b>Total Commissions on sales</b>	<b>1,157 50</b>
<b>Total Selling &amp; Marketing Expenses</b>	<b>4,120 29</b>
<b>OPERATING EXPENSES - Other</b>	<b>5,740 96</b>
<b>Total OPERATING EXPENSES</b>	<b>292,759 54</b>
Skynet Commissions	1,500 00
<b>Total Expense</b>	<b>294,259 54</b>
<b>Net Income</b>	<b>-194,486.07</b>

# State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Amendment, filed on December 10, 1993, to Articles of Incorporation for RADIOACTIVE RADIO NETWORK, INC. which changed its name to INTERACTIVE MEDIA TECHNOLOGIES, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is S60556.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this the  
Tenth day of December, 1993



CR2E022 (2-91)



Jim Smith  
Secretary of State

**ARTICLES OF INCORPORATION**

**EXHIBIT B**

**EXHIBIT C**

**AMENDED AND RESTATED BY-LAWS**

**OF**

**INTERACTIVE MEDIA TECHNOLOGIES, INC.**

**ARTICLE I**

**Offices**

**Section 1. Registered Office.** The registered office of INTERACTIVE MEDIA TECHNOLOGIES, INC., a Florida corporation (the "Corporation"), shall be located in Broward County or Palm Beach County, Florida.

**Section 2. Other Offices.** The Corporation may also have offices at such other places, either within or without the State of Florida, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or as the business of the Corporation may require.

**ARTICLE II**

**Meetings of Shareholders**

**Section 1. Annual Meetings.** All annual meetings of the shareholders of the corporation for the election of directors and for such other business as may properly come before the meeting shall be held (i) on the second Tuesday of April of each calendar year at 10:00 a.m., Eastern time, or on such other date or at such other time as may be fixed, from time to time, by the Board of Directors, and (ii) at such place, within or without the State of Florida, as may be designated by or on behalf of the Board of Directors and stated in the notice of meeting or in a duly executed waiver of notice thereof.

**Section 2. Special Meetings.** Special meetings of the shareholders may be called by the Board of Directors, the President or the holders of not less than 33% of the Corporation's stock entitled to vote on any issue proposed to be considered at such meeting. Special meetings of shareholders may be held at such time and date, and at such place, within or without the State of Florida, as shall be designated by the Board of Directors and set forth in the notice of meeting required pursuant to Section 3 of this Article.

**Section 3. Notice.** A written notice of each meeting of shareholders shall be given to each shareholder entitled to vote at the meeting at the address as it appears on the stock transfer records of the Corporation, not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary or the officer or persons calling the meeting. The notice so given shall state the date, time and place of the meeting and, in the case of a special shareholders' meeting, the purpose or purposes for which the meeting is called.

**Section 4. Waiver of Notice.** Shareholders may waive notice of any meeting before or after the date and time specified in the written notice of meeting. Any such waiver of notice must be in writing, be signed by the shareholder entitled to the notice and be delivered to the Corporation for inclusion in the appropriate corporate records. Neither the business to be transacted at, nor the purpose of, any shareholders' meeting need be specified in any written waiver of notice. Attendance of a person at a shareholders' meeting shall constitute a waiver of notice of such meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

**Section 5. Record Date.** For the purpose of determining shareholders entitled to notice of or to vote at a shareholders' meeting, to demand a special meeting, to act by written consent or to take any other action, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy (70) days nor, in the case of a shareholders' meeting, less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a shareholders' meeting, then the record date for such shall be the close of business on the day before the first notice is delivered to shareholders.

**Section 6. Quorum.** A majority of the shares entitled to vote on a matter, represented in person or by proxy, shall constitute a quorum for action on that matter at a meeting of shareholders. If a quorum is not present or represented at a meeting of shareholders, the holders of a majority of the shares represented, and who would be entitled to vote at a meeting if a quorum were present, may adjourn the meeting from time to time. Once a quorum has been established at a shareholders' meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shares entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

**Section 7. Voting.** If a quorum is present, action on a matter, other than the election of directors, shall be approved if the votes cast by the shareholders represented at the meeting and entitled to vote on the subject matter favoring the action exceeds the votes cast opposing the action, unless a greater number of affirmative votes or voting by classes is required by Florida law or by the Articles of Incorporation. Directors shall be elected in accordance with Article III, Section 3, of these By-laws. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, unless otherwise provided under the Articles of Incorporation or under Florida law.

**Section 8. Proxies.** A shareholder entitled to vote at any meeting of shareholders or any adjournment thereof may vote in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes.

**Section 9. Shareholder Action Without A Meeting.** Any action required or permitted to be taken at any shareholders' meeting may be taken without a meeting, without prior notice and

without a vote if the action is taken by the holders of outstanding stock entitled to vote thereon having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. In order to be effective, the action must be evidenced by one or more written consents describing the action to be taken, dated and signed by approving shareholders having the requisite number of votes entitled to vote thereon, and delivered to the Secretary or other officer or agent of the Corporation having custody of the book in which proceedings of meetings of the Corporation are recorded. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those shareholders who have not consented in writing or who are not entitled to vote on the action, which notice shall comply with the provisions of the Florida Business Corporation Act.

### ARTICLE III Directors

Section 1. Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Directors must be natural persons who are at least 18 years of age but need not be residents of Florida or shareholders of the Corporation.

Section 2. Compensation. Unless specifically authorized by a resolution of the Board of Directors, the directors shall serve in such capacity without compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors. No such payments shall preclude any director from serving in any other capacity and receiving compensation therefor.

Section 3. Number, Election & Term. The number of directors of the Corporation shall be fixed from time to time, within any limits set forth in the Articles of Incorporation, by resolution of the Board of Directors. Any decrease in the number of directors shall not shorten the term of an incumbent director. Directors shall be elected by the shareholders of the Corporation annually, at the annual meeting of shareholders of the Corporation, by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

Section 4. Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by the shareholders at an annual or special meeting called for that purpose.

Section 5. Removal of Directors. The shareholders may remove one or more directors with or without cause. A director may be removed by the shareholders at a meeting of shareholders, provided the notice of the meeting states that the purpose, or one of the purposes, of the meeting is the removal of the director.

Section 6. Quorum and Voting. A majority of the number of directors fixed by or in accordance with these By-laws shall constitute a quorum for the transaction of business at any



meeting of directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present shall be the act of the Board of Directors.

**Section 7. Deemed Assent.** A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless (i) the director objects at the beginning of the meeting (or promptly upon his arrival) to the holding of the meeting or transacting specified business at the meeting, or (ii) the director votes against or abstains from the action taken.

**Section 8. Committees.** The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which must have at least two members and, to the extent provided in the designating resolution, shall have and may exercise all the authority of the Board of Directors, except such authority as may be reserved to the Board of Directors under Florida law.

**Section 9. Meetings.** Regular and special meetings of the Board of Directors shall be held at the principal place of business of the Corporation or at any other place, within or without the State of Florida, designated by the person or persons entitled to give notice of or otherwise call the meeting. Meetings of the Board of Directors may be called by the President or by any two directors (or, if there is only one director, by such director). Members of the Board of Directors (and any committee of the Board) may participate in a meeting of the Board (or any committee of the Board) by means of a conference telephone or similar communications equipment through which all persons participating may simultaneously hear each other during the meeting; participation by these means constitutes presence in person at the meeting.

**Section 10. Notice of Meetings.** Regular meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the meeting, so long as the date, time and place of such meetings are fixed generally by the Board of Directors. Special meetings of the Board of Directors must be preceded by at least two (2) days' written notice of the date, time and place of the meeting. The notice need not describe either the business to be transacted at or the purpose of the special meeting.

**Section 11. Waiver of Notice.** Notice of a meeting of the Board of Directors need not be given to a director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of that meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting and the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened. The waiver of notice need not describe either the business to be transacted at or the purpose of the special meeting.

**Section 12. Director Action Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors (or a committee of the Board) may be taken without a meeting if the action is taken by the written consent of all members of the Board of Directors (or of the committee of the Board). The action must be evidenced by one or more written

consents describing the action to be taken and signed by each director (or committee member), which consent(s) shall be filed in the minutes of the proceedings of the Board. The action taken shall be deemed effective when the last director signs the consent, unless the consent specifies otherwise.

**Section 13. Approval of Certain Transactions, Stock Issuances and Stock Option Grants.** All transactions with officers, directors, shareholders and employees of the Corporation, or any of their relatives, and all issuances of capital stock of the Corporation and all grants of stock options, warrants or other rights to acquire capital stock of the Corporation, must be approved, in advance, by a majority of the independent or outside directors of the Corporation.

#### **ARTICLE IV** **Officers**

**Section 1. Officers.** The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary and a Treasurer. Such other officers and assistant officers and agents as may be deemed necessary or desirable may be appointed by the Board of Directors. Any two or more offices may be held by the same person.

**Section 2. Duties.** The officers of the Corporation shall have the following duties:

The President shall be the chief executive officer of the Corporation and shall have general and active management of the business and affairs of the Corporation subject to the direction of the Board of Directors. The President shall see to it that all orders and resolutions of the Board are carried into effect. In the event the Board of Directors shall not have designated a chairman of the Board, the President shall preside at all meetings of the Board of Directors and at all meetings of the shareholders.

Each Vice President, if any, shall have such powers and perform such duties as the Board of Directors shall from time to time designate. In the absence or disability of the President, a Vice President specifically designated by the vote of the Board of Directors shall have the powers and shall exercise the duties of the President.

The Secretary shall have custody of and shall maintain all of the corporate records (except the financial records), shall record the minutes of all meetings of the shareholders and the Board of Directors, shall authenticate records of the Corporation, shall send all notices of meetings and shall perform such other duties as are prescribed by the Board of Directors or the President, under whose supervision he shall be.

The Treasurer shall have custody of all corporate funds, securities and financial records, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render an account of all his transactions as treasurer and of the financial condition of the Corporation at regular meetings of the Board or

when the Board of Directors so requests. The Treasurer shall also perform such other duties as are prescribed by the Board of Directors.

Each Assistant Secretary and Assistant Treasurer, if any, shall be appointed by the Board of Directors and shall have such powers and shall perform such duties as shall be assigned by them by the Board of Directors.

**Section 3. Resignation of Officer.** An officer may resign at any time by delivering notice to the Corporation. The resignation shall be effective upon receipt, unless the notice specifies a later effective date. If the resignation is effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date provided the Board of Directors provides that the successor officer does not take office until the future effective date.

**Section 4. Removal of Officer.** The Board of Directors may remove any officer at any time with or without cause.

**Section 5. Compensation.** The compensation of officers shall be fixed from time to time at the discretion of the Board of Directors. The Board of Directors may enter into employment agreements with any officer of the Corporation.

## ARTICLE V Stock Certificates

**Section 1. Issuance.** Every holder of shares in this Corporation shall be entitled to have a certificate representing all shares to which he is entitled. No certificate shall be issued for any share until the consideration therefor has been fully paid.

**Section 2. Form.** Certificates representing shares in this Corporation shall be signed by the President and the Secretary of the Corporation, or any other officer so designated by the Board of Directors.

**Section 3. Registered Shareholders.** The Corporation shall be entitled to treat the holder of record of shares as the holder in fact and, except as otherwise provided by the laws of Florida, shall not be bound to recognize any equitable or other claim to or interest in the shares.

**Section 4. Transfer of Shares.** Shares of the Corporation shall be transferred on its books only after the surrender to the Corporation or the transfer agent of the share certificates duly endorsed by the holder of record or attorney-in-fact. If the surrendered certificates are canceled, new certificates shall be issued to the person entitled to them, and the transaction recorded on the books of the Corporation. The transfer of shares of the Corporation may be restricted pursuant to a shareholder's agreement.

**Section 5. Lost, Stolen or Destroyed Certificates.** If a shareholder claims to have lost or destroyed a certificate of shares issued by the Corporation, a new certificate shall be issued upon delivery to the Corporation of an affidavit of that fact by the person claiming the certificate

of stock to be lost, stolen or destroyed, and, at the discretion of the Board of Directors, upon the deposit of a bond or other indemnity as the Board reasonably requires.

#### ARTICLE VI Distributions

The Board of Directors may from time to time authorize and declare, and the Corporation may pay, distributions on its outstanding shares in cash, property or its own shares, unless the distribution, after giving it effect, would result in (i) the Corporation being unable to pay its debts as they become due in the usual course of business, or (ii) a violation of applicable law.

#### ARTICLE VII Corporate Records

The Corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation shall also maintain accurate accounting records and a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and series of shares held by each.

#### ARTICLE VIII Indemnification

Section 1. Right to Indemnification. Each person (including here and hereinafter, the heirs, executors, administrators, assigns or estate of such person) (1) who is or was a director of the Corporation, or (2) who is or was an officer, agent or employee of the Corporation and as to whom the Corporation has expressly agreed to grant such indemnity hereunder, shall be indemnified by the Corporation as of right to the fullest extent permitted or authorized by current or future law or legislation or by current or future judicial or administrative decision (but, in the case of any future law, legislation or decision, only to the extent that it permits the Corporation to provide broader indemnification rights than permitted prior to the legislation or decision), against all fines, liabilities, settlements, losses, damages, costs and expenses, including attorneys' fees, asserted against him or incurred by him in his capacity as such director, officer, agent or employee, or arising out of his status as such director, officer, agent or employee. The foregoing right of indemnification shall not be exclusive of other rights to which those seeking indemnification may be entitled. The Corporation may maintain insurance, at its expense, to protect itself and any such person against any such fine, liability, cost or expense, including attorney's fees, whether or not the Corporation would have the legal power to directly indemnify him against such liability.

Section 2. Advances. Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Section 1 of this Article in defending a civil, administrative or criminal suit, action or proceeding may be paid (and, in the case of directors of the Corporation, shall

be paid) by the Corporation in advance of the final disposition thereof upon receipt of an undertaking to repay all amounts advanced if it is ultimately determined that the person is not entitled to be indemnified by the Corporation as authorized by this Article, and upon satisfaction of other conditions established from time to time by the board of directors or required by current or future legislation (but, with respect to future legislation, only to the extent that it provides conditions less burdensome than those previously provided).

**Section 3. Savings Clause.** If this Article of any portion of it is invalidated on any ground by a court of competent jurisdiction, the Corporation nevertheless indemnifies each director of the Corporation to the fullest extent permitted by all portions of this Article that has not been invalidated and to the fullest extent permitted by law.

#### **ARTICLE IX** **Miscellaneous**

**Section 1. Corporate Seal.** The corporate seal of the Corporation shall be circular in form and shall include the name and jurisdiction of incorporation of the Corporation.

**Section 2. Fiscal Year.** The fiscal year of the Corporation shall end on December 31 of each calendar year, unless otherwise fixed by resolution of the Board of Directors.

**Section 3. Checks.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the President, the Treasurer or such other officer(s) or agent(s) of the Corporation as shall be determined from time to time by resolution of the Board of Directors.

#### **ARTICLE X. AMENDMENT**

These By-laws may be altered, amended or repealed, and new By-laws adopted, by the Board of Directors or by the shareholders.

I HEREBY CERTIFY that the foregoing By-laws of INTERACTIVE MEDIA TECHNOLOGIES, INC., are the By-laws duly adopted by the board of directors of the Corporation by unanimous consent dated June 30, 1994.

  
\_\_\_\_\_  
STEVEN M. WILLIAMS, President



**\*\*\*SIGNATURE AND ACKNOWLEDGEMENT FOR INDIVIDUAL\*\*\***

**ACCREDITED INVESTORS**

Yes \_\_\_\_\_ No \_\_\_\_\_

**Number of Units Subscribed for:**

\_\_\_\_\_ Units (at 5,000 shares per Unit)

**Purchase Price: \$ \_\_\_\_\_,000.00 (at \$10,000 per Unit)**

**SUBSCRIBER**

**CO-SUBSCRIBER**

\_\_\_\_\_  
Please Print Full Legal Name of Subscriber

\_\_\_\_\_  
Please Print Full Legal Name of Co-Subscriber

\_\_\_\_\_  
Signature of Subscriber

\_\_\_\_\_  
Signature of Co-Subscriber

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Social Security Number of Subscriber

\_\_\_\_\_  
Social Security Number of Co-Subscriber

**Please tear out on perforation, fill out completely and send with your investment check to:**

***INTERactive***  
**Media Technologies, Inc.**

5550 Glades Road, Suite 409  
Boca Raton, Florida 33431  
407-368-2010 Phone  
407-368-1766 Fax

**SIGNATURE AND ACKNOWLEDGEMENT FOR  
CORPORATION/PARTNERSHIP/EMPLOYEE BENEFIT PLAN/IRA/TRUST, ETC.**

<b>ACCREDITED INVESTORS</b>	
Yes _____	No _____

Number of Units Subscribed for:

\_\_\_\_\_ Units (at 5,000 shares per Unit)

Purchase Price: \$ \_\_\_\_\_,000.00 (at \$10,000 per Unit)

Name of Entity: \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title (Authorized Signatory)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title (Authorized Signatory)

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**TABLE OF CONTENTS**

SUMMARY AND THE OFFERING	1
SUBSCRIPTION PROCEDURES	6
DESCRIPTION OF SECURITIES	6
USE OF PROCEEDS	8
DILUTION	10
CAPITALIZATION	11
THE COMPANY	12
CERTAIN BUSINESS TRANSACTIONS	14
INDUSTRY TRENDS	15
PRODUCTS, SERVICES & BUSINESS OF THE COMPANY	15
MANAGEMENT	25
CERTAIN STOCK TRANSACTIONS	30
CERTAIN BENEFICIAL OWNERSHIP/BENEFICIAL	32
OPTIONS TO PURCHASE STOCK	34
DETERMINATION OF OFFERING PRICE	36
INVESTOR SUITABILITY	36
RISK FACTORS	37
FINANCIAL STATEMENTS	37
ADDITIONAL INFORMATION	42

**EXHIBITS AND SUBDOCUMENTS**

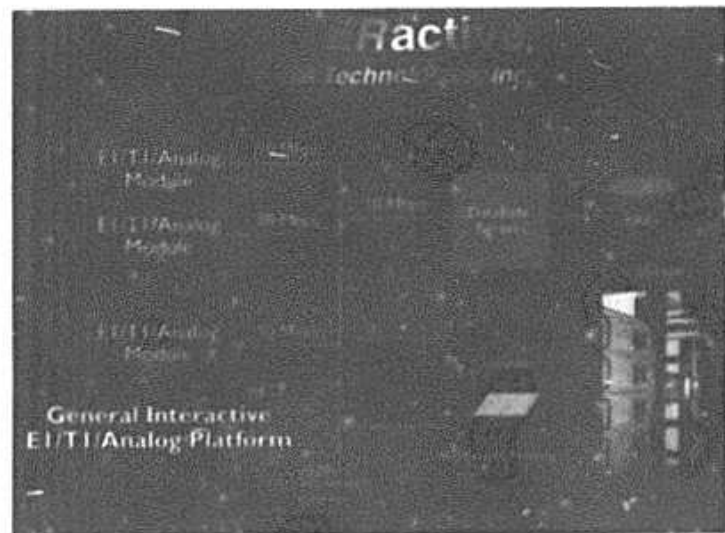
EXHIBIT A - FINANCIAL STATEMENTS
EXHIBIT B - ARTICLES OF INCORPORATION
EXHIBIT C - RESTATED BY-LAWS
EXHIBIT D - SUBSCRIPTION DOCUMENTS

**1,000,000 Shares of Common Stock  
offered in UNITS of  
5,000 Shares at \$10,000 per Unit**

***INTERactive***  
Media Technologies, Inc.

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Boca Raton, Florida 33431  
407-368-2010 Phone  
407-368-1766 Fax**

**CONFIDENTIAL PRIVATE PLACEMENT  
MEMORANDUM**



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## TABLE OF CONTENTS

SUMMARY AND THE OFFERING	1
SUBSCRIPTION PROCEDURES	3
DESCRIPTION OF SECURITIES	6
USE OF PROCEEDS	8
DILUTION	10
CAPITALIZATION	11
THE COMPANY	12
CERTAIN BUSINESS TRANSACTIONS	14
INDUSTRY TRENDS	15
PRODUCTS, SERVICES & BUSINESS OF THE COMPANY	15
MANAGEMENT	25
CERTAIN STOCK TRANSACTIONS	30
CERTAIN BENEFICIAL OWNERSHIP/BENEFICIAL	32
OPTIONS TO PURCHASE STOCK	34
DETERMINATION OF OFFERING PRICE	36
INVESTOR SUITABILITY	36
RISK FACTORS	37
FINANCIAL STATEMENTS	37
ADDITIONAL INFORMATION	42

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EXHIBIT C - RE-STATE D BY LAWS
EXHIBIT D - SUBSCRIPTION DOCUMENTS

1,000,000 Shares of Common Stock  
 offered in UNITS of  
 5,000 Shares at \$10,000 per Unit

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## CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

