

Montevideo, May 17th, 2005

ETCHEGARAY ASSOCIATED CONSULTANTS
A/P PEDRO J. ETCHEGARAY - DIRECTOR
C/C: SENIOR ANALYST M. BORDABEHERE - PARTNER
P R E S E N T

REF: LEGAL REPORT ABOUT CONFLICT EAC VS AIPTEK UPDATED MAY 17TH, 2005

Dear A/P Pedro Etchegaray:

We make reference to the urgent solicitude achieved from your associate Bordabehere, last Monday May 9th, 2005, about a complete legal analysis of the conflict that your organization EAC (Etchegaray Associated Consultants with headquarters in Montevideo – Uruguay), have against the corporation AIPTEK (with headquarters in the city of Hsin-Chu, R.O.C Taiwan).

We apologize for not having given this report in an earlier date as it was our primary objective.

Such delay was a consequence of the enormous documentation volume that we should analyze: 51 emails, with the last email received yesterday Monday May 16th, a 20-pages Preliminary Business Plan, and more than 50 pages with corporate information about AIPTEK that include: countable information, stock rates, press articles, all that overcame our initial presage and budget thoroughly.

Besides this, in the morning of Friday May 13th, 2005, your associate also requested us that our report was presented in Spanish and English, which demanded us important additional effort and cost.

Fortunately, this involuntary delay, facilitated to add to the whole existent overwhelming evidences, the analysis of the last email received from AIPTEK (Monday May 16th, 2005) whose content is a new and more complete explicit recognition on behalf of AIPTEK regarding its responsibility about the damage caused against EAC.

As you will understand, we invest many more resources and work that the originally budgeted ones, and we think that the potentiality of this work will be of maximum utility to obtain somehow the indemnity of the damages that rightfully EAC has requested AIPTEK, so much by the way of a friendly agreement, or by the application of Law.

• **1) ANALYZED DOCUMENTATION**

To verify the chronological order of the events and the entirety of the received documentation, we guide ourselves by the work sheet named "Control of resources" that your associate gave us. To develop this report, we put together the documentation in the following groups:

A) AIPTEK' CORPORATIVE INFORMATION

This documentation has been fundamental to understand AIPTEK' profile, the company that has aggrieved repeated times to EAC.

There, we find information about the business type that AIPTEK manage, he annual sales volume that they operates, an idea about their infrastructure and the economic performance that historically it has obtained.

Now, we have an idea of the enormous relative size of AIPTEK in comparison to EAC, and of the strategic value that represents for AIPTEK the information contributed by EAC in relation to Latin America, a commercial region where seemingly AIPTEK has not still been developed strongly.

B) MAILS WITH AIPTEK (MR.WAYNE WANG AND MR. VINCENT LUO) UNTIL AIPTEK RECEIVE FROM EAC THE DOCUMENT REFERRED AS "PRELIMINARY BUSINESS PLAN" AT DECEMBER 23RD, 2004

Documents referred as # 1 to # 28

C) MAILS WITH AIPTEK (MR. VINCENT LUO AND MR. PETER CHEN) LINKED TO THE FORMAL EAC' BIRDCALL OF THE PAYMENT, AS CONSEQUENCE OF AIPTEK' UNFAIR AND DISLOYAL BUSINESS PRACTICE, FROM MARCH 23RD, 2005 TO APRIL 13TH, 2005 INCLUDED.

Documents referred as # 29 to # 32

D) MAILS WITH AIPTEK (MR. PETER CHEN AND MR. BEN LEE) LINKED TO EFFORT FROM EAC TO REACH A FRIENDLY AGREEMENT WITH AIPTEK. CONCRETION OF THE AGREEMENT AND LATER NONFULFILLMENT FROM AIPTEK, BETWEEN APRIL 16TH, 2005 AND MAY 16TH, 2005.

Documents referred as # 33 to # 51.

• 2) FACTS' ANALYSIS

We have the opinion that doesn't exist any doubt that AIPTEK has aggrieved to EAC and that AIPTE at least (we emphasize "at least") has incurred in the commercial injury defined as "unfair conduct". This arises clearly of the analysis of the following elements:

- AIPTEK was who it looked for and it contacted initially to TecnoPyme, based on its commercial references and business area (as Official Distributor of GTCO-Calcomp in Uruguay).
- Originally TecnoPyme and EAC contributed kindly primary information that AIPTEK requested, which can be qualified as usual exchange between companies (Documents # 1 - # 7).
- At document # 6, EAC is presented to AIPTEK as a Technological consultant & Business and Market Developer. EAC suggests to AIPTEK a series of steps to give to make business together, since AIPTEK is not present in the region (Latin America).
- At document # 8, AIPTEK analyzes the answer and 20 days later and changes spokesman, switching from a Salesman (Wayne Wang) by the Pacific Ring Manager, with responsibility in Latin America (Vincent Luo).
- In that same email, Vincent Luo requests more information of strategic type (distribution channel, logistics, volume of business, etc) and he suggests strongly (rather this, we would say that very enthusiastic in reference to EAC) the possibility to work together in development of the regional market, also requesting that EAC quotes him all the involved services that to achieve this objective AIPTEK could hire from them.
- The new questions that Mr. Luo inquire, already determined necessities that could only be assisted by the execution of a Consultancy work, or a "Preliminary Business Plan." If it was not the case, then How another reason had?. None, of course.
- The more than favorable opinion from Mr. Luo, the encouragements and the reiterated suggestion about the practically immediate opportunities of making business together (EAC with AIPTEK), they simulate an appropriate environment in which AIPTEK takes advantage to request more information (quantity) and bigger detail grade (quality) that until that moment EAC has contributed.
- **AIPTEK' motivation was (as it was demonstrated later on) only to obtain information and not to pay for her. This configures the crime of "unfair business practice" increased even more, because it was perpetrated by a notoriously more powerful company (AIPTEK) than EAC, that which is a commercial abuse.**
- Previous to Preliminary Business Plan reception, at December 23rd, 2004 (Document # 19), AIPTEK requests to EAC in reiterated opportunities that work (Documents # 10, # 11, # 13, # 16), even referring directly to the same one as the "business plan" awaited.
- The work referred as "Preliminary Business Plan" it's undoubtedly, a Consultancy work. The economic cost that implied for EAC the development of that work, appears detailed in the page 18 of the "Preliminary Business Plan", where it is also clarified the context of quick business concretion, induced previously by AIPTEK, that motivated that effort from EAC.
- The figure of U\$S 3500 are a business cost and, in that instance it is not expressed with the spirit of being considered a sale of that service (that obviously would be much bigger), but to indicative title so that AIPTEK, potential customer, have a reference to value the effort that EAC has carried out.

- It is more than clear for anyone who read the Preliminary Business Plan that the objective of EAC was the execution of the suggested plan (potentially a contract of U\$S 60.000 - sixty thousand dollars), and not to charge to AIPTEK the development cost of that work.
- If later on the reception of the Preliminary Business Plan of EAC, AIPTEK had maintained the same previous behavior toward EAC expressed in the previous mail, answering at least the multiple emails that EAC sent them (Documents # 20, # 22, # 24, # 25, # 26, # 27) requesting information on its work, this situation of abuse it would not be evidenced so clearly.
- However, the lack of answers and worse still, the disrespectful answer that Mr. Luo sends to EAC (March 2nd, 2005 - Document # 28) they ratify the suspicions of "**unfair business practice**". It is evident then, that AIPTEK fooled ECA to obtain market information, and that it never had seriously the intention of making any business with EAC (regional market development). That situation inclusive stays until Mr. Lee's last received email (May 16th, 2005).
- This "unfair conduct or behavior" it's a perfectly identified crime by International Commercial Right, as well as by the local laws of all countries with there is intense commercial activity (as U.S.A, CEEPT, China and R.O.C (Taiwan)). **Specifically in R.O.C. (Taiwan) where AIPTEK has its headquarters, there are specific laws guided to avoid those practices, and they penalize them severely, as we will illustrate it later.**
- AIPTEK explicitly recognizes its unfair commercial behavior, accepting the birdcall of U\$S 3500. Nevertheless and seemingly with the purpose of saving money, AIPTEK proposes two options to solve its lack in friendly form. An offer of U\$S 2.000 "to negotiate" the birdcall quickly and another for U\$S 3.500 to which would consent whenever EAC contributed them with more information about the American Latin market (See Doc # 36).
- The fact that AIPTEK wants to pay less than the costs that EAC had informed in its "Preliminary Business Plan", to amend its crime, when it has the report in its hands, being AIPTEK a great company compared with the size of EAC that it is also located in another continent, and that obviously to force the collection it will invest even more money, it countersigns the concept of reiterated offence against EAC and the figure of commercial abuse.
- The fact that AIPTEK accepts to pay **U\$S 3500** (that is the originally reclaimed amount) but whenever more information is contributed from EAC, it evidences the necessity of AIPTEK for consultancy and market information to develop business in Latin America.
- The answer of EAC is another element that generates evidence against AIPTEK. EAC doesn't accept none of the two options and it makes an analysis where it demonstrates the reiteration of the offense on behalf of AIPTEK, showing that AIPTEK wants to buy information and consulting services for **U\$S 1.500** (a thousand five hundred dollars) that had already been he previously budgeted in **U\$S 10.000** (ten thousand hundred dollars). See Page # 12 from "Preliminary Business Plan", and more deeply commented in Doc. # 37.
- EAC gives a new sign of friendship toward AIPTEK, suggesting as reasonable solution, to invest the money performing the stage corresponding of the "Preliminary Business Plan", instead of instead of applying it to a compensatory refund.
- The new offer of AIPTEK for **U\$S 3.000**, improving their previous offer of U\$S 2.000 (See Doc # 44), it 's a re-confirmation of the rights generated by EAC over AIPTEK, as well as of the "unfair behavior" of AIPTEK.

▪ **We think that AIPTEK has not taken conscience that it has made one time, other and another time, a punishable crime for the right of R.O.C. and instead of having taken advantage of the lack of legal advice of EAC and pay immediately, it is negotiating their reputation as if it was ordinary merchandise.**

- Finally, in their new answer, EAC (that until then, it makes all the effort, evidently without having received legal consultantship) it summarizes and it exposes in front of AIPTEK the injured, abusive and disproportionate situation of which is victim, and accepts the mediation just by two conditions.
FIRST: Mr. Ben Lee criterion must establish the final amount to pay (it can be U\$S 3.000 or U\$S 3.500). EAC sends the information on how they should pay and when. (See doc # 45).
SECOND: EAC clearly requests to conclude the matter that the transfer of funds is carried out immediately (the same week),

- When AIPTEK reply it, confirms that understood that EAC accepted the mediation, but it doesn't make the payment, the one which later, it is claimed 3 times **until finally the agreement falls for a new no fulfilment from AIPTEK (Docs # 46 to # 50).**
- AIPTEK answers again outside of term (one week after that requested) and without having accomplished the payment waited by EAC, it offends EAC again, imposing new conditions previous to its payment, inside those which now also demand the explicit authorization to AIPTEK can use the "Preliminary Business Plan" for its profit.
- This is a new recognition of the necessity of information that AIPTEK has, as well as of the necessity to use "Preliminary Business Plan" in own profit (Doc # 51).
- It is also a new offence from AIPTEK toward EAC.
Surprising and incredibly, AIPTEK doubts about good intentions of EAC, when from the analysis of the records it arises that AIPTEK is the actor that up to now has taken all the advantages and abused systematically of its privileged position.
- This email, received by EAC on Monday 16th, 2005, it 's the last confirmation of the repeated unfair, abusive, injured and disproportionate behavior that AIPTEK has demonstrated towards EAC during this whole process.
- From a global analysis of the mails exchange between AIPTEK and EAC, it is demonstrated that AIPTEK has only replied the communications from EAC, after EAC has worn away in reiterating the emails, and after overcome the reasonable terms, EAC announce to AIPTEK that finishes the dialogue with that spokesman or that there is not more disposition to friendly dialogue.
Only under that type of pressure AIPTEK responds.
This hostile attitude repeats one and another time in each limit situation. It is reinforced this way the demonstration of the "unfair business practice" from AIPTEK toward EAC.
- In legal and commercial words, the behavior of AIPTEK is hostile and abusive, since only responds under pressure, causing a continuous waste on behalf of the really damaged one (EAC) and "unfair", since in each dialogue, it only demonstrates its intention of obtaining more benefits without having paid the minimum reclaimed compensation.
Given the great difference of size between AIPTEK and EAC, is added to the above-mentioned the added difficulty of the disproportion of relative forces and resources.

• 3) LEGAL FRAMEWORK ABOUT RESTRICTIVE BUSINESS PRACTICES AND UNFAIR TRADE PRACTICES

3.1) INTERNATIONAL GUIDELINES ABOUT UNFAIR TRADE PRACTICES

We could extend a lot in mentioning different International regulatory schemes that condemn the unfair trade practices that AIPTEK it has perpetrated against EAC.

Firstly GATT (General Agreement on Tariffs and Trade), later WTO (World Trade Organization) and UNCITRAL (United Nations Commission on International Trade Law) they have developed abundant bibliography and jurisprudence on this type of commercial violations, as well as convict the activities and to who develop them, and suitable specific sanctions with international juridical hierarchy.

It also exists in all the countries with cultural, industrial or commercial high-level, like they are in fact all those where AIPTEK has business or headquarters, a very abundant legislation that penalizes those "unfair business practices"

However, the case that summons us (EAC versus AIPTEK) it is much simpler that to face the problem in the International right, since the own Republic of China, where AIPTEK has its headquarters, to hold one of the more modern and transparent outlines regulatory juridical to protect the International trade.

Taiwan doesn't only have specific laws to condemn unfair trade practices, but also specialized discussion environments (courts of arbitration) and supplementing the solution of problems among privates, with the additional penalization of the State against the companies resided in the country that they have observed these unfair behaviors.

For this reason, in this report, we will concentrate on illustrating you how the R.O.C legal system works regarding the companies that develop unfair business behavior and condemnable trading practices.

3.2) LEGAL TRADE FRAMEWORK IN R.O.C (TAIWAN)

The R.O.C. has a MOTHER LAW, named “**First Trade Law**” that is the regulatory base of the business relationships between companies (domestic and internationally).

3.2.1) ABOUT THE FAIR TRADE LAW

The **Fair Trade Law** was enacted mainly to prevent restrictive and unfair competition, thus striking a balance among the principles of a free market economy, promotion of business activities, maintaining order in transactions, and consumers' rights. The Fair Trade Law provides a legal framework regarding business behaviors and conditions such as monopolies, mergers, concerted actions, and unfair competition, as well as for damages and punishments, with the Fair Trade Commission making decisions according to information provided or investigation.

The **Fair Trade Law** was promulgated on May 4th, 1991, and effective on Feb.4th, 1992 in order to maintain trade order and consumer's rights, to ensure fair competition, to promote economic stability and prosperity. After amendments, the current law was promulgated on Feb. 6th, 2002.

Fair Trade Law regulates the following commercial activities:

1. Monopolistic, Merger and Concerted Activities
2. Unfair Competition Activities

Attached to this report, you find the complete text of the **Fair Trade Law**, updated May 27th, 2003.

3.2.2) ABOUT UNFAIR COMPETITION

Because the FTL is a type of competition law, and its main purpose is to maintain fair competition in the market, Article 18 of the FTL thus identifies various business behaviors that are deemed to be forms of unfair competition, which can be sorted into two categories:

Interfering with competition, including but not limited to, horizontal price restrictions, discrimination, improperly acquiring trading opportunities, improper acquisition of others' trade secrets, and improperly restricting the business activities of trading counterparts; and

Bad faith competitive behaviors, including but not limited to the counterfeiting and false advertisements, damaging the business good-will of others, and improper business practices in connection with multi-level sales. Because improper business behaviors vary, **Article 24 provides a general prohibition against all kinds of unfair competition, or other deceptive or obviously unfair conducts.**

3.2.3) ABOUT COMPENSATION FOR DAMAGES

The **Article 32 say textually:**” In response to the request of the person being injured as referred to in the preceding article, a court may, taking into consideration of the nature of the infringement, award damages more than actual damages if the violation is intentional; provided that no award shall exceed **three time of the amount of damages that it is proven.**”

Where the infringing person gains from its act of infringement, the injured may request to assess the damages exclusively based on the monetary gain to such infringing person.

3.2.4) PUNISHMENT

If the business violates the Fair Trade Law, except specified by law, the Fair Trade Commission may, in general case, orders the business to cease, rectify the activity or make necessary corrective measures within a given time limitation, and to pay the administrative penalty no less than NT\$50,000 and no more than NT\$25 million.

If the business does not follow the order, and the commission not only can continue ordering the business to cease, rectify the activity or make necessary corrective measures, but it can also order the business to pay the administrative penalty each time no less than NT\$100,000 and no more than NT\$50 million until the business complies with the commission's order.

If the business still does not cease, rectify the activity or make necessary corrective measures, or if it resumes the same or similar violation after ceasing the previous violation, the violator is punishable by imprisonment for no more than three years, detention or a fine of no more than NT\$100 million.

If the business violates Article 23 of the Fair Trade Law, which regulates Multi-Level Sale activities, by receiving economic benefits from introducing others to participate, and is an aggravated offender, the business may be ordered to dissolve, suspend or terminate its business operation in addition to the above mentioned disposition.

3.3) OUR OPINION ABOUT THE AIPTEK ATTITUDE

Really, we are astonished that AIPTEK has not solved this matter friendly from its beginning, avoiding deepening more the conflict, when it had the opportunity to eliminate the problem easily.

Probably, the different spokesman that represented AIPTEK tried to handle the situation as an usual business, without noticing that they had to solve a serious lack that their company had made.

However, the different spokesmen of AIPTEK knew the situation intimately. They knew perfectly that they were usufructing a work (the Preliminary Business Plan) that AIPTEK had requested and for which AIPTEK had not only paid any dollar, and whose authors now were claiming the corresponding compensation, since they didn't honor the generated business expectations, and thinking that EAC would not make a formal birdcall or an international legal demand.

Regrettably for AIPTEK, their reiterated abusive attitude, it has forced EAC to distract and to invest more valuable resources in the collection of the work itself.

It is very possible that until this moment, AIPTEK has never consulted to its attorney-at-laws on this topic, thinking that it is a simple business and nothing else, making the same type of errors to which EAC had incurred up to now.

We have the opinion that AIPTEK has not only incurred in several "unfair business practices", but rather also, it exists abundant and reiterated evidences of admitting its fault, and in spite of it, and being noticed by EAC, instead to stop and to solve the problem, it has repeated the offenses and the crime continuously, increasing more its legal situation.

AIPTEK now takes a risk not only to a demand for more amount, but also to the intervention of the Fair Trade Commission of Taiwan that can execute a voluntary investigation, not only so that it solves the conflict between parts and emergent compensations, but rather the FTC can also apply an administrative penalty for reiterated and obviously unfair conducts of AIPTEK", according to the Article 41 that begin in the NT \$50.000,00 (fifty thousand New Taiwan Dollars) that would be to the current exchange rate almost U\$S 1.600,00 (one thousand six hundred U.S. Dollars) until a maximum of NT \$25 million (twenty-five million New Taiwan Dollars) that are approximately U\$S 790.000 (seven hundred ninety thousand U.S. Dollars U.S.A).

• **4) THE STRATEGY THAT WE COUNSEL**

- **4.1) EAC SHOULD UPDATE THE MONEY RECLAIMED MONEY ORIGINALLY, ADDING THE LATER COLLECTION COSTS NOW (COSTING EFFORT AND OFFERED DEDICATION, LEGAL SUPPORT, ETC) IN THOSE THAT EAC IS INCURRED UP TO NOW TO PROTECT THEIR LEGITIMATE RIGHT.**
- **4.2) DETERMINED THE NEW UPDATED AMOUNT, EAC SHOULD MAKE THE LAST INTENT OF FRIENDLY COLLECTION, WITH THE PERSONNEL OF HIGHER HIERARCHY OF AIPTEK**
- **4.3) FINALLY, IF IT IS IMPOSSIBLE TO REACH A FRIENDLY AND REASONABLE AGREEMENT FOR EAC, THEN MAKE ACCESSIBLE EASILY ALL THE DOCUMENTATION RELATED WITH THIS PROBLEM SO THAT INTERESTED POTENTIALS CAN REVISE IT DIRECTLY.**
- **4.4) EAC SHOULD COMMUNICATE THE EXISTENCE OF THIS CONFLICT AGAINST AIPTEK TO ALL THE ACTORS THAT CAN PROBABLY BE INTERESTED DIRECT OR INDIRECTLY IN BEING INFORMED OF THE DISLOYAL, UNFAIR TRADE AND ABUSIVE BEHAVIOR OF AIPTEK**
- **4.5) EAC SHOULD CONTEST LEGALLY AGAINST AIPTEK THROUGH A LEGAL REPRESENTATIVE DIRECTLY INSTALLED IN TAIWAN**

• **COMMENTS AND EXPLANATIONS ABOVE EACH POINT OF THE OUTLINED STRATEGY**

- C.4.1) EAC SHOULD UPDATE THE MONEY RECLAIMED MONEY ORIGINALLY, ADDING THE LATER COLLECTION COSTS NOW (COSTING EFFORT AND OFFERED DEDICATION, LEGAL SUPPORT, ETC) IN THOSE THAT EAC IS INCURRED UP TO NOW TO PROTECT THEIR LEGITIMATE RIGHT.**

EAC is a Consultant Firm. It is a service company that, among other elements, it bases its revenues on the dedication that its specialized professionals invest in advising customers in the world that (of course) they pay to obtain this specialized service.

It is notorious for any rational individual that only take the work to read the emails' traffic between EAC and AIPTEK for this conflict, that EAC has invested so much and more effort in trying to collect its work by means of a friendly solution that in the development of the Preliminary Business Plan itself.

Therefore, we understand that corresponds at least, to add to the cost of the "Preliminary Business Plan" initially reclaimed the cost of the additional effort invested in obtaining the corresponding payment.

The increment in the money is easily justified, since the EAC' Director (A/P Pedro Etchegaray) who is a high expensive professional human company' resource, was forced to distract many (really so many) working hours in solving this problem instead of dedicating that effort to other tasks that had been revenue-yielding for the company.

Another form of saying the same is to clarify that EAC should pay to another professional of similar characteristic that those of its Director, to cover the work that it could not carry out because he was dedicated to solve this matter. If AIPTEK had paid the moderate claimed U\$S 3500 immediately, ECA had not needed to continue in this task, not even neither required our legal advice.

We suggest to apply moderation when make this evaluation and upgrade of expenses. AIPTEK already knows that EAC estimates in U\$S 50 (fifty U.S. Dollars) the working hour of a Senior Analyst.

A value not very far from that, it can be a moderate reference for the upgrade of the reclaimed amount, since inclusive AIPTEK, it has already accepted previously it, when it made a quite near offer to the amount originally reclaimed (U\$S 3.000 against U\$S 3500 claimed) that finally neither completed.

As the goal of a friendly agreement it is simply to compensate the effort, to recover the minimum expenses, and it is not a business in itself, it should be clear for AIPTEK that the new amount doesn't include the commercial value of the work (that it would be bigger because they are costs and not sale prices of services) neither emergent moral damage (that is easily demonstrable for the lack of answers) neither corresponding loss of profit, neither trial lawyers' honorarium neither any additional one more.

AIPTEK should understand that it's a minimum amount figure non-assignable (a very kind figure), very different and below the amount that with more than enough arguments, it could be claimed if finally it was necessary to begin a judicial demand.

We have the opinion that this way, AIPTEK will make the consultations of the case with its attorney-at-laws of its trust and they will surely make understand that this is an excellent opportunity of solving the topic quickly and with the smallest possible cost.

C.4.2) DETERMINED THE NEW UPDATED AMOUNT, EAC SHOULD MAKE THE LAST INTENT OF FRIENDLY COLLECTION, WITH THE PERSONNEL OF HIGHER HIERARCHY OF AIPTEK

It is a preparatory measure for the legal cause, to insist for last time on looking for a friendly and quick solution, and to let registered that antecedent, in spite of the reiterated non fulfillments shown by AIPTEK.

We suggest that EAC channels its last intent (now with the amount moderately updated) to the more executive high-level of AIPTEK, that as we have read in the added documentation, are Mr. Peter Chen (CEO), Mr. Ted Tung (Vice-President and Official Spokesman), and Mr. Jacky Chen (Public Relation).

We suggest that if this possibility exists, EAC establishes a new dialogue directly with these executives of the company, to seat the precedent that AIPTEK has been formally notified of all that happened.

That communication should be brief, concrete and supported in all the new elements that have arisen that will be mailed as attachments (copies of all its exchange of emails with Mr. Ben Lee). It is very possible that to that high level, don't still have been informed of the delicate thing that it has put on the situation.

EAC should offer as new sample of good will and generosity, **a new term to AIPTEK to obtain the definitive answer**. That term should be enough so that AIPTEK analyzes those facts, consult to its lawyers and make the correct decision in this last opportunity that should be the payment of the update amount.

If EAC obtains a favorable answer to its outline, then, given the bad antecedent demonstrated by AIPTEK, EAC should declare that it is willing to subscribe the documentation that liberates AIPTEK of any later litigation and to facilitate the things, it is also willing to authorize the use inside AIPTEK of the Preliminary Business Plan as Mr. Ben Lee he has requested it,.

All these concessions are conditional exclusively to the previous collection on the part of EAC of the entirety of the reclaimed amount that must be transferred from AIPTEK.

So that the procedure will be without frictions, EAC can suggest that could be AIPTEK itself who edits the document with the conditions that EAC should accept to approach of AIPTEK. This will facilitate the things. That document will be revised by us.

In compensation to the concessions, and always inside the terms of a friendly agreement, EAC should request AIPTEK I sent its a recognition letter and gratefulness for the Preliminary Business Plan developed for them. In that way, both companies have valid guarantees that the episode has finished satisfactorily and they leave strengthened of this traumatic process.

If past the term defined by EAC, it doesn't reach the outlined agreement and it has received the payment of the reclaimed figure, we suggest not to lose more time trying to solve the topic friendly and to pass to execute the planning that follow, preparing the land for the legal reclamation that is it that, to our opinion, EAC should have made at least one month ago.

C.4.3) FINALLY, IF IT IS IMPOSSIBLE TO REACH A FRIENDLY AND REASONABLE AGREEMENT FOR EAC, THEN, MAKE ACCESSIBLE EASILY ALL THE DOCUMENTATION RELATED WITH THIS PROBLEM SO THAT INTERESTED POTENTIALS CAN REVISE IT DIRECTLY.

After analyzing the whole documentation detailedly, we don't find any reference to any "Non-disclosure agreement" commitment of privacy subscribed between EAC and AIPTEK in relation to the confidential character the exchanged information, therefore EAC can make public the documentation. Do it, of course.

A practical and very effective way for this goal consists on publishing all documents in a Web Site, where this whole information remains accessible for the whole public. All the expenses that are generated by the development, maintenance and modifications of this web site, will be for bill of AIPTEK and added on demand.

C.4.4) EAC SHOULD COMMUNICATE THE EXISTENCE OF THIS CONFLICT AGAINST AIPTEK TO ALL THE ACTORS THAT CAN PROBABLY BE INTERESTED DIRECT OR INDIRECTLY IN BEING INFORMED OF THE DISLOYAL, UNFAIR TRADE AND ABUSIVE BEHAVIOR OF AIPTEK

As we have already explained previously, the Government of Taiwan is specially careful with the behavior of the companies that they operate in that country.

We suggest that once the place web site is operative, this case will be diffused thoroughly among who besides EAC, they can be affected by this unfair trade practice and abusive behavior.

With this motive, we have made the following list:

01	Fair Trade Commission de Taiwan (Taipei) -
02	Ministry of Foreign Affairs of f those countries where AIPTEK has commercial operation: Republic of China (ROC) Taiwan, China, Germany and United Stated of America mainly.
03	ROC's Embassies; Consulates and Representative in the world
04	Office of the President of R.O.C.
05	Bureau of Foreign Trade – R.O.C.
06	Taiwan Stock Exchange Corporation
07	Securities firms, Brokers & Stock sales of Taiwan
08	AIPTEK's Shareholders
09	AIPTEK's Suppliers
10	AIPTEK's Customers
11	AIPTEK's Resellers around the World, mainly in that markets where AIPTEK has branch offices or high volume of operations
12	AIPTEK's Competitors
13	Newspapers of R.O.C, China, Germany and U.S.A.
14	Publications as magazines, specialized in the technology area (electronic) and international trade so much at all levels (international and local)
15	Taiwan International Business Offices in United States of America
16	Accounting Firm - PricewaterhouseCoopers
17	International Trade and Technology Organizations where AIPTEK intervenes
18	Administrators of the Hsin Chu Science Park and all the neigh boring companies there installed

According to us we have investigated, in some cases, the Fair Trade Commission, it has acted "of vocation or voluntary" when it knows some matter, since the own Government from Taiwan penalizes with strong penalties to the companies that violates the Fair Trade Law.

C.4.5) EAC SHOULD CONTEST LEGALLY AGAINST AIPTEK THROUGH A LEGAL REPRESENTATIVE DIRECTLY INSTALLED IN TAIWAN

Parallely to the development of the outlined strategy, our Attorney At Law Firm, is interested and willing to negotiate with EAC, its legal representation at International level and also locally, through a partners (another Attorney At Law Firm with headquarters at Taiwan) specialized in "Unfair Trade Practices" to begin the reclamation when you will be ready.

To pass to this level, we should agree with EAC the total amount to demand legally, as well as to settle our honorarium.

From our analyses it arises that we think that this case will be absolutely favorable to EAC, we are willing to condition the collection of our honoraria only if EAC won the demand against AIPTEK, or if during the administration of the case, AIPTEK offered a formula of acceptable negotiation according to the amount legally demanded.

This way, we offer EAC an additional evidence of the trust that we have on the diagnosis that we have accomplished.

• **5) HONORARIUM OF THIS LEGAL STUDY**

The preparation of this work has demanded some 40 hours of Junior Attorney, 10 hours of Senior Attorney, 10 hours of Legal translator, and 4 hours of an Attorney with high Legal specialization grade in International Trade Rights.

This report has been structured to facilitate a friendly agreement among the parts (EAC and AIPTEK), but also as preparatory measure for the case that it will be necessary to install a litigation internationally.

Our total honoraria for this advice ascend to the sum of U\$S 3.600 (three thousand six hundred dollars U.S.A.)

Whereas clause the fact that possibly after this report the customer arrives to a reasonable agreement with the tally, and assisting the friendship between Mr. Etchegaray and our Director, it has been solved that the honoraria will be paid in the following way:

- 50% - U\$S 1.800,00 (a thousand eight hundred dollars U.S.A.) next 30 days
- Balance due of 50%, will paid when EAC has reached a friendly agreement with AIPTEK. In case that the agreement is not formalized and be necessary to install a demand, if our Attorney at Law Firm will represent EAC legally at International level for this trial, this balance will be incorporate to the legally reclaimed sum, in the same way that our futures fees. Contrary case, if none of the two previous situations was given, EAC will pay the outstanding balance, in 6 equals and serial quotas that will be deduced from the cost of the services that at the moment our Attorney at Law Form has hired with EAC.

Without further, we greets sincerely to you

ATTORNEYS AT LAW FIRM (SIGNATURE))