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Business Plan prepared February 2005
by the DMG Executive Team
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1.0 EXECUTIVE SUMMARY

Data Morphology Group, Inc. (DMG) is a startup company with products that will revolutionize the U.S. livestock identification and information industry. In response to market demand and U.S. government initiatives, DMG has created digitalBRAND, a sophisticated livestock tag linked to a powerful database, all protected by absolutely secure encryption technology.

DMG is dedicated to protecting the privacy and property rights of everyone involved in all aspects of the livestock industry. Our products will always represent the highest value and flexibility in securing and controlling livestock data collection, management and reporting. DMG's unparalleled technology meets and exceeds *United States Animal Identification Plan* (*USAIP*) requirements, and will continue to do so in the years to come. At DMG, integrity is paramount — in the way we do business and in the data we protect.

Industry Overview
According to National Cattlemen's Beef Association (NCBA) statistics, there are approximately 800,000 livestock producers in the United States. In 2003, U.S. cash receipts from livestock and livestock product marketing was forecasted to total $98.3 billion — almost half of the total forecasted for all farm cash receipts in 2003 ($202 billion). The cattle industry is a family business. Eighty percent of cattle businesses have been in the same families for more than 25 years; 10 percent for more than 100 years. On January 1, 2004 there were 94.9 million cattle in the United States. Total beef production during 2003 was 26.2 billion pounds (35.5 million head of cattle).

Market Analysis
The opportunities for marketing products to the beef industry are many and varied. In response to outbreaks of mad cow disease (otherwise know as bovine spongiform encephalopathy or BSE) the U.S. government has taken action: The United States Animal Identification Plan (USAIP) defines the framework for implementing a national animal identification system and national network that would be capable of tracking, within 48 hours, the complete history of any animal. Livestock tagging for U.S. livestock producers is not optional. The U.S. government has mandated that U.S. livestock be tagged, and livestock producers must comply. Current livestock data management software is expensive and is unsophisticated in terms of the data it can capture and the databases to which data can be stored.

Market Strategy
DMG will market three primary products. digitalBRAND is a livestock tag for tagging and managing livestock. It is the only livestock tag that incorporates read/write technology, meaning data can be stored to and retrieved from the tag at any time. digitalBRAND is also the only technology that fulfills the information and tracking needs of the U.S. government, while at the same time addressing the privacy concerns of ranchers. digitalBRAND will initially be sold throughout the United States, with planned subsequent distribution to European, Asian and South American markets. Associated with digitalBRAND will be proprietary data management software linked to a secure Oracle database managed and operated by DMG. DMG will also sell aggregate data to a wide variety of customers. digitalBRAND represents the highest quality, value and flexibility for securing and controlling live-

stock data collection, management and reporting. digitalBRAND boasts numerous features that will quickly lead to it becoming the premier product for livestock tracking and data management.

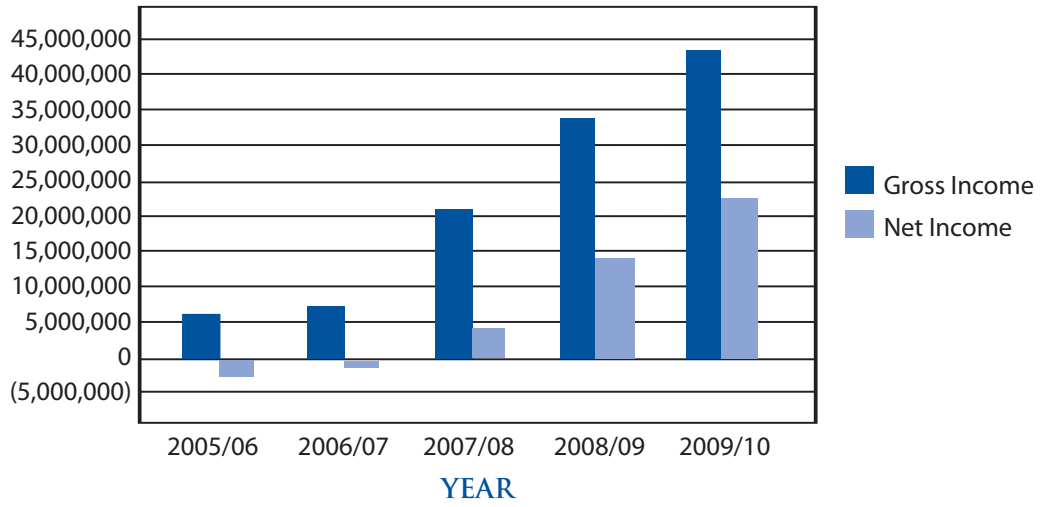
Financial Goals

DMG will break even in the ninth month of year three. During its first five years of operation, DMG will capture 20% of the market for livestock tags, realizing tag sales of $34,630,371 and data subscripton sales of $100,000,000.

Keys to Success

- digitalBRAND is also the only technology that fulfills the information and tracking needs of the U.S. government, while at the same time addressing the privacy concerns of ranchers.
- The digitalBRAND livestock tag represents the highest quality, value and flexibility for securing and controlling livestock data collection, management and reporting.
- digitalBRAND tag and the DMG database are secured using FIPS 25-level encryption, the same encryption methods that are used by the CIA, the U.S. Marshals Service and endorsed by the U.S. Department of Homeland Security.
- digitalBRAND is 100% compliant with current U.S. government acts
- digitalBRAND data will be extremely valuable to such entities as feed producers, processors, pharmaceutical companies and other customers.

FIVE-YEAR INCOME PROJECTION SUMMARY



2.0 COMPANY SUMMARY

2.1 MISSION

Data Morphology Group (DMG) is dedicated to protecting the privacy and property rights of everyone involved in all aspects of the livestock industry. Our products will always represent the highest value and flexibility in securing and controlling livestock data collection, management

and reporting. DMG's unparalleled technology meets and exceeds *USAIP* requirements, and will continue to do so in the years to come. At DMG, integrity is paramount — in the way we do business and in the data we protect.

2.2 COMPANY OWNERSHIP

DMG is a privately owned Texas corporation headquartered in Dallas, Texas. DMG was founded in Dallas in November 1999 by DMG Operations Manager John Denson. Mr. Denson and the other members of the DMG executive team are equal partners in DMG.

2.3 COMPANY LOCATIONS AND FACILITIES

DMG currently conducts operations at a private home in Dallas, Texas. The funding needs outlined in this plan will allow DMG to lease warehouse and office space in the Dallas area. Fischer Meats in Muenster, Texas, has been selected as DMG's partner for the pilot program. This location was chosen because of proximity to DMG operations, the technological savvy of its owners, and the unique nature of the company: Fischer Meats incorporates all phases of the cattle industry — from birth to daily maintenance to sale/auction to processing and shipping.

2.4 CURRENT SITUATION

DMG is seeking first round financing in the amount of $3 million for the purpose of acquiring inventory of components, software programming, infrastructure development, leasing of office and warehouse space, pilot demonstration, regulation compliance, industry market development, working capital, legal and accounting costs and miscellaneous startup expenses.

3.0 INDUSTRY OVERVIEW

3.1 HISTORICAL BACKGROUND

On his second voyage to the New World in 1493, Columbus introduced cattle to the Western Hemisphere. In 1519, Hernando Cortez took offspring of these cattle to Mexico to set up ranches. Often the cattle roamed wild and later came to the United States by way of Texas and California. Early American cattle originated in Europe but came to the Americas by many routes: Texas, Florida, California, Virginia and New England. By the time cattle reached Texas and California from Mexico in the 1500s, a cattle industry was emerging in Florida. Weighing 600 to 800 pounds these cattle — known as woods cattle, Florida Crackers or Florida Scrubs — flourished and are still around today. In 1607, cattle arrived at Jamestown, but none survived. More came in 1611, at which time Governor Thomas Dale issued a proclamation: "No man shall dare kill any bull, cow, calf … whether his own or appertaining to another man." Thanks to this conservation and further imports, cattle became established in Virginia: an

estimated 500 head by 1620 and 30,000 by 1639. At the same time, animals from England northern Europe began arriving in New England and appeared in New York in 1625. On Manhattan Island, a wall was built between the Dutch commune and their outlying farms to protect against wild animals and Indians. This is the wall for which Wall Street was named. Passage of the Hatch act in 1887 provided for the establishment of "agricultural experiment stations" within the land grant colleges.

By the 1890s there was a new range. Great herds of buffalo were gone; Indians were relegated to reservations; barbed wire had carved out farms; and a growing network of rails replaced trail drives. Cattle were now business owned by small as well as large producers. A new century was approaching and the world would dramatically change for cattlemen. The cattle industry of 1898 was not only regional, focused almost entirely in the West, but also differed substantially from today's industry especially in how cattle were readied for and delivered to market. The industry was organized to produce steers four or five years old, which were shipped from July to November by train from local loading stations along the ever-growing network of rail lines to central markets as grass fat steers. Stockyards provided the accumulation points for cattle coming in on the rail cars. Cattle were not fed as in today's definitions, but rather sorted and distributed out to packers. There were no feeder or stocker cattle, and heifers were never slaughtered. Any feeding in the Corn Belt resulted from Midwestern farmers keeping cattle to eat excess corn, and was usually a sideline to the corn and hog economy.

Throughout the history of the industry, cattlemen have worried about the size and ethics of railroad, packers and eventually about buyers, feeders and any other group that seems to be operating outside of their control. At that time it was difficult for a rancher to realize that once the animal was slaughtered it became a very perishable product. It had to be moved into consumption no matter what the conditions, or lost entirely.

Here is a timeline of some of the more significant developments in the United States cattle industry:

1867-1885 First State Cattlemen's Associations formed.
1884 National Cattle Growers' Association Formed at convention in Chicago. National Cattle and Horse Growers Association of United States formed. First National Convention of Cattlemen held in St. Louis Missouri.
1885 Two associations are consolidated into the Consolidated Cattle Growers Association of the United States.
1887 After the worst ever recorded winter for cattlemen, the Consolidated Cattle Growers Association fades away.
1898 National Livestock Growers Association Organized.
1901 American Cattle Growers Association is formed in Salt Lake City — the "rebels" from the National Livestock Growers Association — to specifically represent cattlemen.
1905 American Stock Growers Association formed. Individuals were allowed membership.
1906 American National Live Stock Association (ANLSA) formed from the National Livestock Growers Association & American Stock Growers Association.
1906 First Federal Meat Inspection Act successfully lobbied for the inspectors to be paid by the U.S. government.
1917 First Food Administrator appointed by President Herbert C. Hoover.
1918 U.S. Congress establishes daylight savings time to conserve electricity.
1919 Institute of American Meat Packers, now AMI, organized.
1921 Packers & Stockyards Act passed.
1922 National Live Stock and Meat Board founded. First voluntary deductions of five cents per carload (25 head of cattle per car) were requested by the Meat Board.
1926 Federal meat grading introduced.
1929 Agricultural Marketing Act passed which created the Federal Farm Board.
1930 National Live Stock Marketing Association organized by the Farm Board.
1934 Taylor Grazing Act passed and Grazing Service created.

1940 National Advisory Board Council formed.
1941-1946 Wartime price controls are placed on beef and a large "black market" emerges.
1943 National Livestock Tax Committee formed from representatives of ANLSA, National Wool Growers and some state affiliates and breed organizations.
1946 The Research and Marketing Act of 1946 provides funding for three regional (North Central, Southern and Western) beef breeding projects that make immense contributions to genetic improvement. Corn Belt Livestock Feeders Association (CBLFA) formed from eight state feeders associations.
1949 National Advisory Board Council becomes part of the Department of the Interior. ANLSA declares this year the "Year of Public Relations."
1951 ANLSA changes name to American National Cattlemen's Association (ANCA).
1952 First freezing of bull semen for artificial insemination.
1953 "Great Cattle Bust" drought, grasshoppers and fire would continue until 1957. Rate increased to two-cents per head.
1955 National Beef Council (NBC) initiated.
1956 17 state beef councils formed in support of NBC. Soil Bank created, which pays farmers to remove cropland from production.
1957 Fact Finding Committee requested to investigate and report on the economic factors that influenced the marketing and production of livestock.
1960 Beef Production and Distribution the final report to the Fact Finding Committee, was published. National Livestock Feeders Association reorganized from Corn Belt Livestock Feeders Association (CBLFA).
1962 National Farmers Organization (NFO) gained recognition.
1963 Beef Industry Council (BIC) formed of state beef council, became part of the Meat Board.
1964 Meat Import Act passed-formula limited imports to 6.7 percent of domestic production.
1967 Boxed beef introduced.
1968 Public Lands Council formed. Cattle-Fax created by ANCA.
1970 C.W. (Bill) McMillan becomes the first full-time lobbyist for ANCA and moves to Washington, D.C. Environmental Protection Agency (EPA) created. Occupational Safety and Health Administration (OSHA) established. YCC program started.
1971 First Trade Show during the National Convention.
1972 American Cattlemen's Foundation (later re-named to National Cattlemen's Foundation (NCF)) was founded. ANCA National Associate Program began (Allied Industry Program).
1973 Texas Cattle Feeders Association proposes Beef Checkoff. ANCA appoints task force to study proposal.
1975 United States Meat Export Federation founded. ANCA & NLFA successfully lobby for the addition of the Prompt and Assured Payment amendment to the Packers and Stockyards Act.
1976 Beef Research and Information Act passed by Congress. First beef referendum for checkoff receives a 56.6% approval, but fails due to lack of two-thirds majority.
1977 National Livestock Feeders Association merges with ANCA to form the National Cattlemen's Association (NCA). Senate Select Committee publishes controversial Dietary Goals for the U.S., which includes the advice: "Decrease consumption of meat and increase consumption of poultry and fish."
1978 Second beef referendum fails with only 34.6% approval. NCA forms political action committee.
1979 Meat Import Act of 1979 signed.
1980 Start of the Young Cattlemen's Council with yearly tours. Ground broke for new NCA headquarters in Denver. People for the Ethical Treatment of Animals (PETA) formed.
1983 Boxed beef accounts for 80% of U.S. fed beef production. Dairy PIC (Payment in Cash) program.
1985 Beef Checkoff collections started. Beef Promotion and Research Act becomes law. Dairy Termination Program.
1986 American National CattleWomen (ANCW) formed from American National Cowbelles. NCA sues USDA over Dairy Termination Program.
1987 American Heart Association endorses beef as a healthy food.
1988 Beef referendum passes on its third try. Japanese Beef Agreement signed. Repeal of the Heifer Tax.
1991 Environmental Stewardship Award created.
1994 North American Free Trade Agreement (NAFTA) goes into effect.
1996 Pork and lamb segments of Meat board are spun off, leaving only the BIC. Meat Board merges with NCA to form National Cattlemen's Beef Association (NCBA).
2002 President Bush signs into law the Farm Security and Rural Investment Act of 2002, more commonly known as the 2002 Farm Bill, which provides for Country of Origin Labeling (COOL) of beef, lamb, pork, fish, perishable agricultural commodities and peanuts.

2003 Mad cow outbreak prompts ban on beef from Canada. The U.S. Animal Health Association accepts the United States Animal Identification Plan (USAIP) as a work in progress.
2004 The framework is announced for implementation of a National Animal Identification System (NAIS), designed to identify any agricultural premise exposed to a foreign animal disease.

According to National Cattlemen's Beef Association (NCBA) statistics, there are approximately 800,000 ranchers and cattlemen in the United States, conducting business in all 50 states and contributing economically to nearly every county in the nation. In 2003, U.S. cash receipts from livestock and livestock product marketing was forecasted to total $98.3 billion — almost half of the total forecasted for all farm cash receipts in 2003 ($202 billion). The cattle industry is a family business. Eighty percent of cattle businesses have been in the same families for more than 25 years; 10 percent for more than 100 years. On January 1, 2004 there were 94.9 million cattle in the United States. Total beef production during 2003 was 26.2 billion pounds (35.5 million head of cattle).

3.2 EMERGING TRENDS

As recently as January 11, 2005, (as reported in *USA Today*) Americans once again struggled with serious concerns about a cow infected with mad cow disease (otherwise know as bovine spongiform encephalopathy or BSE) — this time in Alberta, Canada. Beginning with the initial outbreak of BSE in Europe in 2003 and the first case in the United States in Washington state in December 2003, ranchers, processors and consumers throughout the world have been impacted by the threat and risks associated with BSE. The economic impact on the United States beef industry alone has been devastating, causing the U.S. government to take action, resulting in strict regulation of animal information tracking requirements on all bovines and causing more anxiety in the ranching sector.

There has been a rush by multiple companies and organizations within and outside the industry to develop product solutions primarily focused on fulfilling the minimal requirements outlined in the *United States Animal Identification Plan* (*USAIP*). The *USAIP* defines the standards and framework for implementing a national animal identification system. On November 11, 2004, the U.S. Department of Agriculture set an additional goal for a national data-tracking network that would be capable of tracking, within 48 hours, the complete individual animal history of any animal. Maintaining the health and economic viability of U.S. animal agriculture is critical to the industry and to the safety of the U.S. food supply. Accomplishing the goals of the *USAIP* and ensuring the safety of the global food supply will cost billions of dollars, with much of those costs being borne by U.S. ranchers. Such livestock industry giants as Tyson, Cargill, ConAgra, etc., have joined the race to provide livestock tags. Both the U.S. government and large processors assume that the individual rancher will bear the financial burden of tracking their livestock, directly and adversely affecting ranchers' ability to maintain profitability.

Most ranchers are unhappy with the U.S. government's decision to require them to tag their livestock. This represents an expense that many livestock operations, already operating on slim margins, will find difficult to bear from a financial standpoint and troublesome to implement and maintain. Many ranchers do not trust the U.S. government's motives and are uncomfortable with some of the current suppliers of livestock tags, namely Tyson Fresh Meats, Inc., and Cargill

Incorporated. However, the U.S. government has made its decisions regarding the tagging of livestock, and the trends of today will become commonplace tomorrow. The necessity for source verification and traceback means that technology must be widely available so the history of animals can be tracked with respect to ownership, genetic makeup, pre- and post-weaning performance, health status, carcass composition and meat quality. Such technology has already been implemented in parts of Europe. Customers of one supermarket chain in France can now trace a package of beef all the way back to the farm where the calf was conceived.

4.0 MARKET ANALYSIS

The opportunities for marketing profitable products to the beef industry are many and varied. According to National Cattlemen's Beef Association (NCBA) statistics, U.S. cash receipts from livestock and livestock product marketing was forecasted to total $98.3 billion in 2003 — almost half of the total forecasted for all farm cash receipts in 2003 ($202 billion). On January 1, 2004 there were 94.9 million cattle in the United States. Total beef production during 2003 was 26.2 billion pounds (35.5 million head of cattle). It is important to note that livestock tagging for U.S. livestock producers is not optional. The U.S. government has mandated that U.S. livestock be tagged. Livestock producers have no choice but to comply. It is also important to note that current livestock data management software is expensive and is unsophisticated in terms of the data it can capture and the databases to which data can be stored.

4.1 MARKET SIZE AND TRENDS

In 2003, U.S. cash receipts from livestock and livestock product marketing was forecasted to total $98.3 billion — almost half of the total forecasted for all farm cash receipts in 2003 ($202 billion). On January 1, 2004 there were 94.9 million cattle in the United States. Total beef production during 2003 was 26.2 billion pounds (35.5 million head of cattle). All of these head of cattle must have livestock tags of some kind, as mandated by the U.S. government in the *USAIP*. The potential for growth is enormous, and the potential in large part is renewable year after year as cattle are born, bred and slaughtered. DMG's initial target market goal is 20% of the beef slaughter market or 7.1 million head of cattle per year. The beef slaughter market will be the fastest market segment to assimilate tagging of livestock. DMG will also target the overseas beef markets, where demand for quality beef is high and where extensive documentation on all imported beef is required.

Factors contributing to market growth and renewability:

- Tagging of all livestock is mandated by the U.S. government
- As livestock are born, they must be tagged

4.2 MARKET SEGMENTATION

The U.S. beef industry is only a fraction of the global beef market. DMG's initial target market

goal is 20% of the beef slaughter market or 7.1 million head of cattle per year. The singular nature of the digitalBRAND livestock tag and the DMG database create numerous opportunities for growth within this segment of the market. Livestock tracking and sophisticated data management represents long overdue services that have the potential to provide fundamental, lasting security to American ranchers, a completely new method for capturing and analyzing data and for providing greater product safety to American beef consumers.

4.3 UNMET MARKET NEEDS

The *USAIP* mandates that all livestock producers must tag their livestock. At this moment, there are millions of animals in the United States that do not yet have livestock tags of any kind, and more are being born every minute, representing a continually renewable supply. Of the livestock tags currently on the market, none of them have read/write capability, and none of them are linked to a sophisticated remote database that is accessible only via secure, encrypted means. No other company currently operating in the market has the potential for capturing the vast amount of data that can be retained on the digitalBRAND tag and in the DMG database. The aggregate data will be extremely valuable to numerous pharmaceutical companies, government agencies, feed producers, processors, ranchers and other companies — and the data will only become more comprehensive, and thus more valuable, over time. DMG and digitalBRAND will enter the marketplace with several capabilities that the competition has not yet even considered. Trust is an important consideration among livestock producers. Some of the current sellers of RFID-only tagging products have already proven less than entirely trustworthy when it comes to safeguarding the privacy and profitability of livestock producers.

5.0 COMPETITION

5.1 COMPETITIVE SITUATION

Although the livestock tag industry is an entirely new market, with numerous opportunities for growth and profit, there is no doubt that, like all markets, it will quickly become highly competitive. However, DMG currently has a distinct and singular advantage with digitalBRAND. All current producers of livestock tags are selling tags that use radio frequency identification (RFID) technology. RFID tags use write once, read many (WORM) technology, meaning that such tags cannot store additional data after they are initially programmed and placed on the animal. digitalBRAND is the only livestock tag for tagging and managing livestock that incorporates read/write technology, meaning data can be stored to and retrieved from the tag at any time.

5.2 PRIMARY COMPETITORS

Digital Angel Corporation
Digital Angel Corporation (formerly Destron Fearing) has been involved in the development and

manufacture of livestock identification products since 1948. Since the 1980s the company has developed miniaturized microchip technology for use in fisheries, companion animals and livestock. Digital Angel sells RFID products and partners with other companies that offer software solutions to automate the collection of livestock production and carcass information.

Digital Angel Corporation relies on RFID technology and does not offer products that have any type of read/write abilities. While the company has been in business for some time, they do not produce their own software, but must rely on third party solutions to accomplish even the most elementary data transfer and storage. Nor do they possess a secure database of the type that DMG will provide. We do not believe Digital Angel Corporation has sufficient interest, resources or expertise to effectively compete with digitalBRAND technology.

AgInfoLink
AgInfoLink is a cooperative partner of Digital Angel Corporation, and it entirely dependent upon RFID livestock tags provided by Digital Angel Corporation. Founded in 1997, AgInfoLink provides the food industry with software solutions for data collection, secure data transmission, data warehousing, reporting and analysis tools for increasing profits and reducing risk. AgInfoLink enables agribusinesses to collect, transfer, share, extract, transform and report information from individual units of production throughout the food supply chain.

There are definitive, fundamental limitations to the software sold by AgInfoLink. AgInfoLink software is not linked to a secure database of the type that DMG will provide. By their own admission, their software cannot provide aggregate data. AgInfoLink's software provides much fewer data parameters and fields than digitalBRAND will provide. We do not believe the company has sufficient interest, resources or expertise to effectively compete with digitalBRAND technology.

5.3 FUTURE COMPETITION

Tyson Foods, Inc.
Tyson Foods is the world's largest protein producer and the world leader in producing and marketing beef, pork, and chicken. Over the years, Tyson Foods has experienced a steady growth, with such highlights as the 1989 acquisition of Holly Farms, the 1998 purchase of Hudson Foods and in 2001, when IBP joined the Tyson Foods family. Tyson Foods is also the country's second-largest producer of corn and flour tortilla products, a producer and marketer of a broad variety of prepared foods.

Fiscal year 2003 sales amounted to $24.5 billion and fiscal year 2003 average weekly production of beef amounted to 198,414 head. Tyson Foods has approximately 110,000 team members and 300 facilities and offices in 27 states and 22 countries (including 21 production sites in North America). In 1967, Tyson perfected an innovation that dramatically changed the industry: boxed beef. Instead of shipping beef to customers in whole carcass form, as the industry had done for many years, Tyson acquisition IBP mastered a process in which the packer breaks down the carcass into smaller portions. These cuts are then vacuum-packed and shipped out in boxes. The

industry subsequently adopted the term "birth-to-box."
Tyson Foods has tremendous financial resources and industry knowledge. Although they have not yet shown great interest or investment in the livestock tagging industry or the sophisticated technology at the heart of digitalBRAND, it is possible that at some point they might consider developing similar technology.

Cargill Incorporated
Cargill Incorporated is an international marketer, processor and distributor of agricultural, food, financial and industrial products and services. The company provides customer solutions for supply chain management, food applications and health and nutrition. Headquartered just outside Minneapolis, Minnesota, Cargill Incorporated employs more than 90,000 people in 57 countries. On January 11, 2005, Cargill reported net earnings of $1.012 billion for the fiscal year 2005 second-quarter that ended Nov. 30. These results included earnings from continuing operations of $956 million, which included a one-time, noncash net gain of $597 million related to the formation of The Mosaic Company. The company also earned $56 million from discontinued operations. Excluding the gain, Cargill Incorporated's second-quarter net earnings were $415 million.

Cargill Incorporated is the second largest beef processor in North America and it processes cattle raised and fed for beef production. They operate beef slaughter and fabrication facilities in the United States and Canada (from which the primary product is boxed beef). Since the first grain storage facility began operations on the American frontier in 1865, Cargill Incorporated businesses in the United States have grown to include animal nutrition and pharmaceuticals, farm services and more. They sell fresh meat and other products to virtually every major chain, wholesaler and distributor in the country, including McDonald's and U.S. retail grocer The Kroger Co. Cargill Incorporated is also involved in efforts to improve critical food safety controls, measures and procedures.

On January 9, 2005, after another outbreak of the aftermath of Bovine Spongiform Encephalopathy (BSE), Cargill Incorporated's Excel division announced a layoff of 100 to 150 employees at each of its five meat processing plants in Kansas, Nebraska, Colorado and Texas, eliminating 500 to 750 employees.

Cargill Incorporated has great financial resources and industry knowledge. Although they have not yet shown interest in the livestock tagging industry or the technology at the heart of digitalBRAND, it is possible that at some point they might consider developing similar technology.

5.4 BARRIERS TO COMPETITION

The most significant barrier to competition is that no other company offers read/write capability as a part of their livestock tag product. While some sellers of livestock tags will offer their tags at a lower price, digitalBRAND will be the tag of choice for livestock producers who are interested in safeguarding their information and capturing a wide range of data on their animals, that wish to generate various reports and who are unwilling to pay extra for Bang's tags, a tag that most female cattle must have to indicate they have been vaccinated against Bang's disease or Brucellosis, an

infectious bacterial illness caused by the bacterium Brucella abortus that that infects genital organs and frequently causes spontaneous abortions. Bang's tags cost $5 each, the same cost as the digitalBRAND livestock tag. digitalBRAND can replace Bang's tags and provide *USAIP* compliance for less than the cost of any other Bang's tag/livestock tag product combination.

DMG can also move faster than many other companies because of the extensive and diverse expertise of its executive team. Experienced software programmers stand ready make any necessary software code modifications as soon as a need is discovered. The DMG database will be administered and modified by DMG staff, not an outside contractor, so database administration, expansion and other modifications can immediately be made. In house graphic design expertise insures that as new products are incorporated into digitalBRAND, high quality sales, technical and training materials can be created without delay. And in house communications staff can quickly create a plan and disseminate new product information to media and influential livestock producers with whom they have lifelong associations.

6.0 MARKET STRATEGY

6.1 PRODUCTS AND SERVICES

DMG will market three primary products. digitalBRAND is a livestock tag for tagging and managing livestock. It is the only tag that incorporates read/write technology, meaning data can be stored to and retrieved from the tag at any time — while all other livestock tags use write once read many (WORM) technology, meaning that they cannot accept new data after they are initially programmed and placed on the animal. digitalBRAND will initially be sold throughout the United States, with planned subsequent distribution to European, Asian, and South American markets. Associated with digitalBRAND will be proprietary data management software linked to a secure Oracle database maintained and secured by seasoned professionals capable of holding up to 512 petabytes of data that will be managed and operated by DMG. DMG will also sell aggregate data to a wide variety of feed producers, processors, pharmaceutical companies and other customers.

6.2 POSITIONING

digitalBRAND represents the highest quality, value and flexibility for securing and controlling livestock data collection, management and reporting. digitalBRAND combines both radio frequency identification (RFID) and leading edge read/write technology, supplemented by secure encryption, linked to a massive, secure database. DMG's digitalBRAND is more than an electronic livestock tag. It far exceeds the U.S. government's *United States Animal Identification Plan* (*USAIP*) requirements for livestock tags. digitalBRAND is also the only technology that fulfills the information and tracking needs of the U.S. government, while at the same time addressing the privacy concerns of ranchers. To transfer data, digitalBRAND requires direct contact for less than one second, eliminating unwanted data interception by competitors or

others with ill intent — security that RFID cannot provide. At every step during the life of the animal, digitalBRAND has the capability to write and capture data. That data is encrypted and stored on the digitalBRAND tag and in the DMG database. Wherever that animal goes, the data goes with it. The digitalBRAND tag and the DMG database are secured using FIPS 25-level encryption, the same encryption methods that are used by the CIA, the U.S. Marshals Service and endorsed by the U.S. Department of Homeland Security. The encryption algorithms are unbreakable and the digitalBRAND device cannot be tampered with. In the unlikely event of damage or destruction, a replacement digitalBRAND can be quickly issued to the customer, and customer data remains securely stored in the DMG database. Customer data, for all animals tagged with digitalBRAND, is available anytime — protected by secure login — in the DMG database.

digitalBRAND will give ranchers, auction barns, feedlots, processors and consumers the security of knowing that digitalBRAND-tagged livestock has been checked thoroughly from birth to box. Birth information, weight gain, vaccination dates and types are just a few examples of the innumerable types of customer data that can be captured and stored by digitalBRAND and the DMG database. digitalBRAND's data is 100% effective and completely secure. digitalBRAND boasts numerous features that will quickly lead to it becoming the ranchers' choice for livestock tracking and data management.

digitalBRAND offers the beef industry a unique and powerful livestock tracking and information system. digitalBRAND meets and exceeds the demands of current U.S. government regulation and rancher needs will continue to do so in the future. The stainless steel and plastics composing digitalBRAND have a historical record of use and reliability in FDA and USDA devices. DMG uses technology with a proven track record for performance and U.S. government approved standards for data encryption. The digitalBRAND software and database are flexible, utilize current industry standards and will continually evolve as necessary to ensure U.S. government compliance and superior functionality and compatibility with customer hardware and software. Reliability is a crucial feature of digitalBRAND. In terms of data capture, data storage and data retrieval, digitalBRAND meets all current technology industry critical performance standards. All raw materials used meet or exceed the current beef industry standard, and are built to function in extreme environments. digitalBRAND is durable, rugged, and built to withstand thousands of pounds of pressure.

digitalBRAND also will enable U.S. livestock producers to sell live and boxed beef to customers in markets that currently are closed to U.S. beef exports. This is because digitalBRAND, as a read/write device, will enable U.S. livestock producers to provide markets in Europe, Asia and South America with complete genetic and tracking information for every animal they sell — information that RFID-only tags cannot provide.

Other outstanding features of digitalBRAND include:

- Livestock cannot damage the device
- digitalBRAND removes the need for data entry staff

- digitalBRAND eliminates data entry errors, providing data integrity
- digitalBRAND is guaranteed to be 100% waterproof
- digitalBRAND cannot be corrupted or tampered with
- digitalBRAND is compliant with required U.S. government data formats

Data subscriptions will be another important part of DMG's product offerings. Some livestock producers will no doubt purchase only the digitalBRAND tag for their livestock. But the real power of digitalBRAND lies in its ability to retain a wealth of data on every aspect of an animal's life, including birth weight, weight gain during the first year, vaccination and worming dates, dates of movement and complete genetic data. This data will be invaluable for livestock producers who are interested in performance breeding, feed management and innumerable other aspects of the livestock business. DMG will enable data subscribers in generating numerous standard and custom reports, empowering livestock producers to track and manage their operations in ways that were impossible before digitalBRAND.

DMG will also sell bulk aggregate data and standard and custom reports to a wide variety of feed producers, processors, pharmaceutical companies and other customers. This data will be crucial for a variety of companies when developing higher performance livestock feed, more effective animal vaccines and innumerable other products sold to livestock producers, ranchers and processors. However, sales of aggregate data will not infringe on the privacy of livestock producers, as all identifying information will be kept strictly confidential.

6.3 PRICING

DMG will price digitalBRAND at a price point that will enable it to be competitive. According to December 2004 data, other livestock tags currently are priced between $1.99 and $3.99 per tag, and are sold without software. When competing livestock tags are sold with low-end data management software, the average cost is approximately $10 per tag. The $5 cost for each digitalBRAND tag will include software. Unlike most software companies, DMG will not charge for software upgrades, which will be distributed automatically, as needed, when customers access the DMG database. DMG's digitalBRAND tag also will replace Bang's tags. Thus, digitalBRAND can replace Bang's tags and provide *USAIP* compliance for less than the cost of any other Bang's tag/livestock tag product combination.

Pricing of digitalBRAND database subscription services will differ depending upon the type of customer. Ranchers and individual livestock operations will receive free access to their data. Other data subscribers will pay a varied schedule of fees depending on the amount, nature and duration of data access. Data will be sold formatted in a variety of standard reports, in custom reports and as aggregate data. DMG will charge companies and agencies an annual subscription fee or one-time usage fees that will be based on the types and volume of information accessed, its aggregation by DMG and its importance to that particular subscriber. With DMG providing such information, these subscription fees will be cost justified by the fact that other backend costs currently absorbed by users will be reduced (i.e., staff and equipment to track/manage livestock infor-

mation). The following represents a list of likely data subscription customers:

- U.S. government agencies (USDA, FDA, *USAIP*, etc.)
- Processors
- Pharmaceutical companies
- Feed lots
- Transportation companies
- Sale barns
- Feed mills
- Veterinarians
- Banks
- Foreign trade agencies

In the future, pricing will be developed and implemented for additional applications that are dictated by governmental agencies, associations and livestock producers. DMG expects to remain at the leading edge of future livestock tracking/management and involved with non-livestock producer participants in the nation's food chain, as DMG and the livestock industry identify future information needs.

6.4 SALES AND DISTRIBUTION

DMG will begin selling and distributing digitalBRAND technology in six phases:

Phase 1 – Pilot Program (tagging/tracking project) in Year 1
Phase 2 – Industry Promotions (USDA, co-ops, associations and top breeders) Year 1
Phase 3 – SW Region (TX, OK, LA and NM ranchers) in Year 1
Phase 4 – Midwest Region (CO, KN, MO and IL ranchers) in Year 2
Phase 5 – Western Region (AZ, CA, WA and OR ranchers) in Year 3
Phase 6 – Eastern Region (NY, PA, TN, DC and New England ranchers) in Year 4

DMG will begin disseminating digitalBRAND during a pilot program at Fischer Meats in Muenster, Texas. Fischer Meats has already agreed to participate with DMG in its initial pilot program for digitalBRAND, which will represent the final steps to identify and correct any technology issues that have not previously been addressed. DMG has been working closely with Fischer Meats during the developmental phases of the business plan to ensure that DMG and digitalBRAND will meet and exceed livestock producers' needs, as well as the *USAIP* requirements.

Once the pilot program is complete, DMG will launch an industry-wide marketing campaign targeted toward major industry associations, top cattle breeders and individual co-ops throughout the United States. This will be accomplished through direct mail, extensive personal contacts by DMG management and strategic partners with key regional livestock producers and by Internet promotions. Based on experience gained during DMG's developmental phase and the unique nature of the ranching industry, we expect word of mouth advertising to play an unusually high

role in promoting the digitalBRAND and DMG database and data subscription services.

Product distribution will be accomplished using several methods:

Direct Sales: digitalBRAND tags, software and data management information will be delivered individually by DMG field sales representatives to key cattle ranchers (i.e., large ranchers managing 25,000-100,000 head or livestock producers who are influential in the industry). Although initial setup and utilization of digitalBRAND is not complex, we believe that personal introduction of digitalBRAND technology to key ranchers throughout the United States will play a significant role in the success of the initial product rollout. Veterinarians, feed lots sales barns, auction barns and processors will also be part of the initial sales effort, to ensure that key participants in the livestock production process are aware of digitalBRAND and the many ways DMG products can improve efficiency and profitability.

Sales by Mail: Because most ranchers already tag their own livestock, tagging animals with the digitalBRAND tag is a simple procedure, as the method for tagging cattle remains the same from animal to animal. Therefore, we believe that most livestock producers will order the tags directly from DMG and have them shipped via such standard shipping methods as U.S. mail, UPS, etc. This will greatly reduce our distribution and operating costs and expedite our time to market.

DMG Call Center: Once actual field implementation of digitalBRAND begins (actual cattle tagging), DMG will staff a digitalBRAND call center to answer questions that livestock producers may have regarding the tagging process and use of the free DMG technology software. Call center staff will be trained to answer questions related to tagging as well as methods for generating various reports, accessing the DMG secure database, general product utilization questions and digitalBRAND reorders. More importantly, the call center will also take orders from ranchers who have heard, read about and/or utilized the DMG technology and are just calling DMG to order more tags.

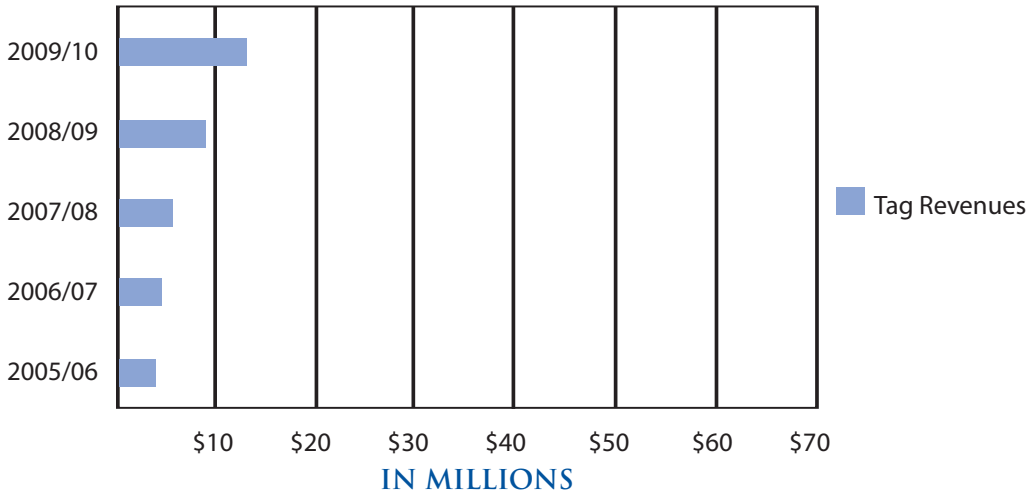
6.4.1 REVENUE FORECAST

Projected revenues for 2005 to 2009 are as follows:

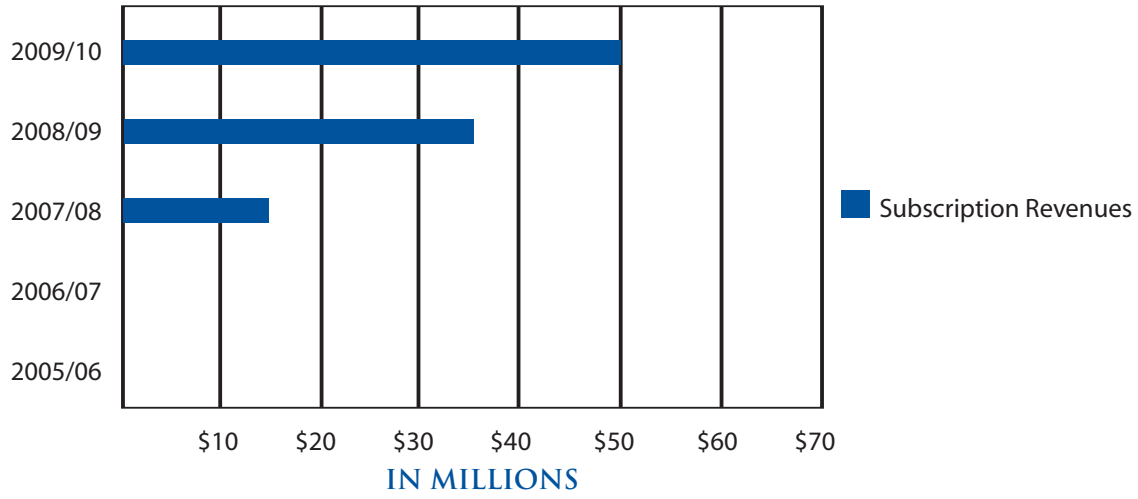
- In year one DMG will operate at a loss of -$2,431,866, with $1,875,000 in revenues for digitalBRAND tag sales.
- In year two digitalBRAND tag revenues are projected at $3,843,750.
- In year three digitalBRAND tag revenues are projected at $6,304,688 and data subscription revenues at $15,000,000 for $21,304,688 in total revenues.
- In year four digitalBRAND tag revenues are projected at $9,380,859 and data subscription revenues at $35,000,000 for $44,380,859 in total revenues.
- In year five digitalBRAND tag revenues are projected at $13,226,074 and data subscription revenues at $50,000,000 for $63,226,074 in total revenues.

The following charts and table provide an outline of the DMG revenue forecast for the next five years:

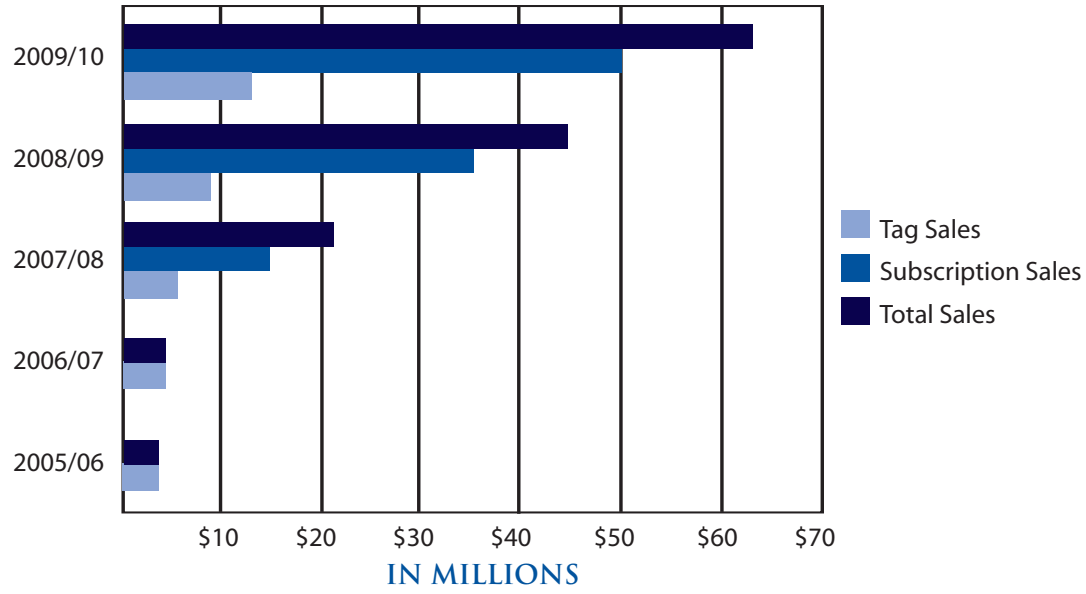
PROJECTED TAG REVENUES



PROJECTED DATA SUBSCRIPTION REVENUES



PROJECTED COMBINED REVENUES



REVENUES	2005	2006	2007	2008	2009
Tag sales	$1,687,500	$3,646,875	$6,058,594	$9,073,242	$12,841,553
Subscription sales	—	—	$15,000,000	$35,000,000	$50,000,000
Total revenues	$1,687,500	$3,646,875	$21,058,594	$44,073,242	$62,841,553

6.5 MARKETING

Although the livestock industry generates many billions of dollars annually for the U.S. economy, industry promotional techniques are often surprisingly unsophisticated. DMG will utilize proven advertising agency design, writing and advertising techniques to maximize success. In addition to using sophisticated advertising techniques, DMG will distinguish itself from its competition by focusing on assuring ranchers and livestock producers that at all times DMG will protect the privacy of their operation and the integrity of their data.

6.5.1 ADVERTISING

DMG will advertise digitalBRAND in newspapers, radio, cable access and outdoor media in rural areas throughout the United States. To maximize product visibility, DMG will specifically target agricultural media, including national and regional cattle and agricultural industry cable access channels, trade papers, newsletters, fact sheets and industry websites.

6.5.2 ONLINE ADVERTISING

Banner advertising and display advertising using first-rate design techniques will be purchased on industry-related websites to showcase the features of digitalBRAND.

6.5.3 DIRECT MAIL

DMG will purchase mailing lists of ranchers and such livestock industry businesses as feedlots, auction barns, sale barns and processors and use such lists for targeted direct mail campaigns.

6.5.4 SALES MATERIALS

Utilizing veteran, advertising agency trained, in-house professional designers and copywriters, DMG will create expertly designed and written print and digital product flyers in the universally accepted, cross-platform Adobe Reader PDF format that can be sent either by conventional or electronic mail. These materials will be able to be printed professionally and quickly by offset printers, copy shops, by DMG sales representatives in the field and by customers using inexpensive printers.

6.5.5 THE DMG WEBSITE

The DMG website is attractive and informative and will grow in size and scope over time. It will provide product features, training tutorials, technical support and data access for subscribers, links to important industry information and general corporate information. Sophisticated Macromedia Flash animation slideshows on every page of the website will reinforce the extensive capabilities of digitalBRAND. Macromedia Flash presentations and product demonstrations with animated text and graphics and professional audio will reside on the DMG website and be encoded on CD-ROM media will showcase the numerous advantages of digitalBRAND in a manner that is atypical of the industry, thus impressing potential DMG customers. The DMG website will be housed on our own servers, extending security to those who enter and capture information from users entering the website. See page 35 in the Supporting Documents section for sample views of the DMG website, or visit us online at http://www.datamorphology-group.com/.

6.5.6 NEWS RELEASES

DMG will engage in a broad campaign of news releases to industry, technology and mainstream media that will highlight the advantages of digitalBRAND.

6.5.7 INTERVIEWS

DMG will also contact print and broadcast media and offer company management on an ongoing basis for interviews and to comment on industry trends, generating further publicity for DMG and digitalBRAND.

6.5.8 PERSONAL TESTIMONIALS

The cattle industry relies greatly on word of mouth to spread information and product recommendations. DMG will utilize its extensive personal contacts in the cattle industry to contact select, highly regarded individual livestock breeders, feedlots, auction barns and sale barns and other venues, which will in turn discuss digitalBRAND with fellow business associates and industry partners.

6.5.9 TRADE SHOWS AND EVENTS

DMG will secure booths and banner advertising at various trade shows, auctions and industry events. DMG sales representatives will be on hand to answer questions about digitalBRAND and schedule appointments with interested livestock owners, feedlot owners and processors.

6.5.10 DMG SCHOLARSHIPS

DMG will award a limited number of college scholarships to deserving youth on an annual basis. The overall monetary investment in these scholarships will be minimal, but will generate significant word of mouth publicity and exposure in industry-related print and online media.

7.0 SWOT ANALYSIS

7.1 COMPANY STRENGTHS

Without question, the most important advantage possessed by DMG is digitalBRAND, a product that is unique in myriad respects. No other livestock tag currently on the market boasts the reliability, security, versatility and capabilities of digitalBRAND. When partnered with the DMG database, digitalBRAND has the greatest potential for fulfilling the ranchers' needs for privacy and *USAIP* compliance, the industries demand for reliable data, the U.S. government's compliance requirements and the U.S. consumers' needs for a safer food supply. The digitalBRAND tag and the DMG database are secured using FIPS 25-level encryption, the same encryption methods that are used by the CIA, the U.S. Marshalls Service and endorsed by the U.S. Department of Homeland Security.

Second only to the innovative and unique nature of its products is the intensity and diversity of the talents of the DMG executive team. All necessary elements of the business — including project management to business development, patents and product design, sales and marketing, finance, business communications and media relations, print and multimedia design, information technology and database administration, and livestock industry management — are skills already possessed by the DMG executive team. Members of the DMG executive team have decades of experience operating in fast-paced, entrepreneurial environments, as well as experience managing employees with diverse skillsets in large-scale corporate environments.

Before beginning operations, DMG has assembled an extensive list of industry contacts, as well as established strategic relationships with necessary vendors and product providers. At this time, the DMG executive team possesses enough on-hand skills and has established sufficient relationships with vendors and partners to launch the business and begin selling its primary products without the necessity to immediately hire a large number of employees.

The design and writing of advertising and sales materials, websites and media information for the livestock industry is relatively unsophisticated. By creating first-rate materials and by utilizing advanced media relations techniques, DMG will quickly distinguish itself from its competitors.

The primary business location in Dallas, Texas, is a superb choice for DMG operations. Texas is known as a center for livestock and the U.S. beef industry. Many members of the DMG executive team have extensive contacts throughout Texas that will no doubt be instrumental in acquir-

ing additional resources, speeding product development and distribution and disseminating information about DMG products and services.

Armed with a superb product and without the burden of a large-scale corporate structure, the DMG executive team represents a nimble and formidable force that is ably equipped and determined to succeed.

7.2 COMPANY WEAKNESSES

DMG has not yet demonstrated an operating history and does not yet have on hand sufficient financial and personnel resources needed to conduct day-to-day operations as demand for its products increases. However, once DMG receives funding, the necessary employees will be hired. Because DMG has not yet begun sales operations, DMG and digitalBRAND do not yet possess the brand recognition necessary to ensure adequate sales. However, DMG is prepared to begin its pilot program immediately upon receipt of funding and, after the success of the pilot program, embark without delay on an accelerated program to disseminate information about DMG and its products and begin selling digitalBRAND.

7.3 MARKET OPPORTUNITIES

Currently, no other livestock tag can demonstrate the capabilities of digitalBRAND. The few livestock tags that purport to capture data operate using antiquated software running on older computer operating systems, and none of those products are linked to an external database as sophisticated as that operated by DMG.

The *USAIP* requires all livestock producers to purchase a livestock tag of some kind to ensure compliance with U.S. government regulation. Because the *USAIP* has not yet been fully implemented, there is a great potential for profit from selling livestock tags. digitalBRAND is distinguished in that it has the potential for fast industry acceptance, due to its singular product characteristics. Even the largest, most highly capitalized livestock tag producers are not engaging in the creation of livestock tags that remotely approach the capabilities and value of digitalBRAND.

As livestock is continually being born, raised and slaughtered, there is a recurring, perpetually renewable market for DMG products and services.

7.4 MARKET THREATS

There are established competitors in the marketplace, some of which have extensive financial resources at their disposal. Some of these competitors have already sold livestock tags to livestock producers. It is possible that one or more of these competitors would develop a tag based on the capabilities of digitalBRAND. However, DMG is determined to continue to evolve its products

to continue to exceed the capabilities of livestock tags that may be developed by competitors.

8.0 MANAGEMENT AND PERSONNEL

DMG's executive team is highly experienced and qualified in a variety of industries, and possesses diverse expertise. DMG will hire qualified people who will take pride in their work. DMG's management philosophy is based upon responsibility and mutual respect. DMG will maintain an environment and company structure that encourages productivity and respect for customers, industry partners and fellow employees.

8.1 EXECUTIVE TEAM

DMG's executive team includes the following highly qualified individuals:

John Denson, Operations Manager
John Denson is the CFO for a highly successful company that operates a thriving nightclub franchise in Texas. He is responsible for $30 MIL a year — 80 percent of which is in cash. He also is responsible for generating all accounting and financial reports. Mr. Denson's exceptional human relations abilities have enabled him to excel in customer relations and in managing company office staff at multiple locations. He also is involved in reviewing contracts for the national music acts that perform at company venues. Mr. Denson personally installed and maintains a sophisticated computer network for company offices in several cities. Furthermore, he created and implemented a highly successful inventory program that led to a dramatic increase in company profits. From 1983 to 1995 Mr. Denson served as a financial consultant for MJR Corporation, a company that owned and operated nightclubs in Texas and Florida.

His educational background includes Financial Management training at Southern Methodist University and accreditation classes for Cisco Certified Network Associate and Microsoft Certified Systems Engineer.

Matthew Hollensworth, Field Operations Manager
Matthew Hollensworth is a true Texas highwayman. For more than a decade he has spent his working life designing, building and maintaining Texas highways — all the while boasting a flawless record of no lost time injuries. From 1993 to 1995, while with Kellogg Brown & Root, Mr. Hollensworth was responsible for State Highway 155 in Frankston, Texas, where he was tasked with widening for eight miles of roadway and building a two-span pan-style bridge over a lake.

From 1995 to 1998, Mr. Hollensworth served his country in the United States Army. Upon returning from duty, Mr. Hollensworth became an Assistant Field Engineer for Balfour Beatty Inc. He supervised construction of the President George Bush Turnpike in Plano, Texas. Since that time Mr. Hollensworth has continued to distinguish himself as a Project Field Engineer for J.D. Abrams LP, managing diverse projects with budgets as high as $1 billion plus. These include: the President

George Bush Turnpike (Coit Road to U.S. 75) with its multiple bridges, short construction time and limited labor resources; the complex State Highway 161/Interstate 635/President George Bush Turnpike interchange, consisting of 10 bridges that were built simultaneously and completed one year ahead of schedule; Terminal D at the Dallas/Fort Worth International Airport, which entailed multiple bridges that were cast in place, roadway, cast-in-place walls and coordination with the intricate work schedules more than 40 other contractors; and the President George Bush Turnpike continuation of interchanges of Interstate 635, PGBT Extension.

Mr. Hollensworth raises cattle in East Texas and continues in his efforts to improve the beef industry. His equine program of raising cutting horses and foundation quarter horses extends from East Texas to Houston. He is a Life Member of the American Quarter Horse Association and a member of the National Cutting Horse Association.

Edward Pittman, Communications Manager
Born and raised in Texas, Edward Pittman has been a communications and graphics professional for more than 20 years. At Club Corporation of America, during an illustrious eight-year period as Senior Editor of *Private Clubs* magazine, an international magazine with a circulation of more than 350,000 worldwide, his writing accomplishments included numerous high-profile interviews with Secretary of State Colin Powell, Lance Armstrong, Dr. Kenneth H. Cooper, Norman Swarzkopf (U.S. Army, Ret.), preeminent glass artist Dale Chihuly, famed heart surgeon Dr. Denton Cooley, NASA mission commander Glynn S. Lunney, and such sports legends as Troy Aikman, Jimmy Connors, Bjorn Borg, Evandor Holyfield, among many others. As Editor in Chief of *Private Clubs*, Mr. Pittman managed an editorial and design staff of 10 highly skilled individuals while also single-handedly maintaining the magazine's Apple Macintosh computer network. During a two-month period he reorganized workflow and increased efficiency, eliminating overtime for salaried staff and realizing an annual budget savings of more than $200,000.

While serving as Senior Art Director for the advertising agency Shierholz Saxer (formerly DDB Vienna) in Vienna, Austria, Mr. Pittman supervised two design teams, two copywriting teams and provided multilingual creative direction for such prestigious and demanding clients as Audi AG, Gruppo Generali, Mayr-Melnhof Karton AG, Neutrogena and Roc.

As the owner and creative director of Creation Engine, he has produced diverse designs for print and electronic media, as well as provided copywriting and translation services, for such respected multinational clients as American Airlines, Marriott, Coca-Cola GmbH, Johnson & Johnson, Delta Airlines, Allianz, Neusiedler Group AG and Wiener Städtische Versicherung AG. Current advertising agency clients, for whom he is the sole provider for all English-language materials for print and electronic distribution, include 01 EDV-Consulting und Development GmbH, Design for Media and Communication GmbH & Co.Kg., Shierholz Saxer (formerly DDB Vienna) and Scholz & Friends GmbH.

Mike Towery, Systems Information Manager
Mike Towery, co-founder of KnightWorks Consulting, has more than 20 years data processing experience in all phases of system development on a wide range of hardware, operating systems

and enterprise-wide databases. His management background includes positions as vice president and director of a bank, IT director of an oil refinery and vice president of an IT consulting firm. Mr. Towery has installed and maintained numerous Oracle databases on various operating systems and performed a wide range of DBA activities for those databases including parallel server and RAC. He has been responsible for SQL, database tuning, back up and recovery, and security for multiple Oracle databases and hardware environments. Mr. Towery has led the performance testing for a number of Oracle's largest and most challenging application implementations.

8.2 STRATEGIC PARTNERS

Richard V. Unwin, CPA, Accounting and Finance
Richard V. Unwin, CPA, has provided financial advisory services to numerous businesses during the past 24 years.

Mr. Unwin began his career in 1980 with Spicer & Oppenheim, a worldwide public accounting firm, in their London office. In 1986, he relocated to Spicer & Oppenheim's Chicago office. In addition to clients in the financial markets, Mr. Unwin's client base included a broad range of companies in manufacturing and distribution industries, including steel fabrication, crane manufacturing, engine transmission remanufacturing, and one of the first compact disc manufacturers.

In 1990, Mr. Unwin relocated to Dallas and worked as the operations director of a privately owned property management and development company. In addition to rental and management of multiple properties, he participated in acquisitions, sales and renovation of properties. In connection with one acquisition, Mr. Unwin recovered $500,000 in cash from associated accounts.

In 1996, Mr. Unwin joined the Dallas firm Joseph Brooks & Associates, specializing in providing financial and management consulting services to Dallas-based companies. These services include audit support, assisting and advising on IPO, acquisition, and divestiture transactions, process improvement reviews, and special finance-related projects, including litigation support. Richard's clients have included Wyndham Hotels, Monarch Dental, LSG Sky Chefs, Capital Senior Living, Staffing Resources, Career Blazers and Home Interiors & Gifts.

Mr. Unwin prepared all of the financial information in this business plan. He will continue to be a vital DMG resource for all matters related to accounting and financial planning.

Black Olive Media, Broadcast Media
Established in 2001, Black Olive Media is a Dallas-based, full-service advertising agency delivering high quality broadcast media to network, cable television and radio, as well as interactive media and broadcast animation. Black Olive Media has created a blend of powerful, persuasive and memorable campaigns for such clients as AT&T Broadband, BMW, Dodge, EDS, Frito Lay, Ford Motor Company, Hyundai USA, Mitsubishi, the National Aeronautics and Space Administration (NASA), Nissan Motor Company, Peter Frampton, The Richards Group Rodney D. Young Insurance, Sci-Fi Channel, Sports Illustrated, Sports Illustrated for Kids, Toyota USA, Women's United Soccer Association (WUSA), Yale University and others.

Black Olive Media will aid DMG in creating broadcast and cable commercials, interactive media and animation.

8.3 FUTURE DMG STAFF

DMG will be devoted to its staff: the men and women who will represent the company throughout the livestock industry. At DMG everyone will be treated with respect, dignity and be recognized for their contributions. DMG will afford equal opportunity for employment, development and advancement for all qualified individuals. A "flat" company hierarchy and accessible management will empower and encourage DMG to take pride in their work and feel free at any time to make suggestions and complaints that have the potential to improve the company and the ways DMG conducts business.

DMG managers are currently conducting advance interviews with prospective DMG staff and compiling lists of qualified candidates so that staffing can be increased without delay once DMG receives the necessary startup capital.

9.0 FINANCIAL PLAN

9.1 IMPORTANT ASSUMPTIONS

- The U.S. government has mandated that all livestock must eventually be tagged.
- The livestock industry is a constantly renewable industry.
- DMG's digitalBRAND livestock tag provides data recording and transfer capabilities that no other current product can provide.
- The digitalBRAND tag and the DMG database are secured using FIPS 25-level encryption, the same encryption methods that are used by the CIA, the U.S. Marshalls Service and endorsed by the U.S. Department of Homeland Security.
- Data subscriptions by feed lots, processors, pharmaceutical companies and other entities will become a valuble commodity.
- The U.S. government will not mandate a specific technological solution for livestock tagging.
- DMG will be successful in capturing 20% of the share of the livestock tagging market.

9.2 KEY FINANCIAL INDICATORS

The DMG executive team believes that because of the nature of the livestock tag industry, the key financial indicators are few, are specific and are essential for the company to remain on course with revenue projections.

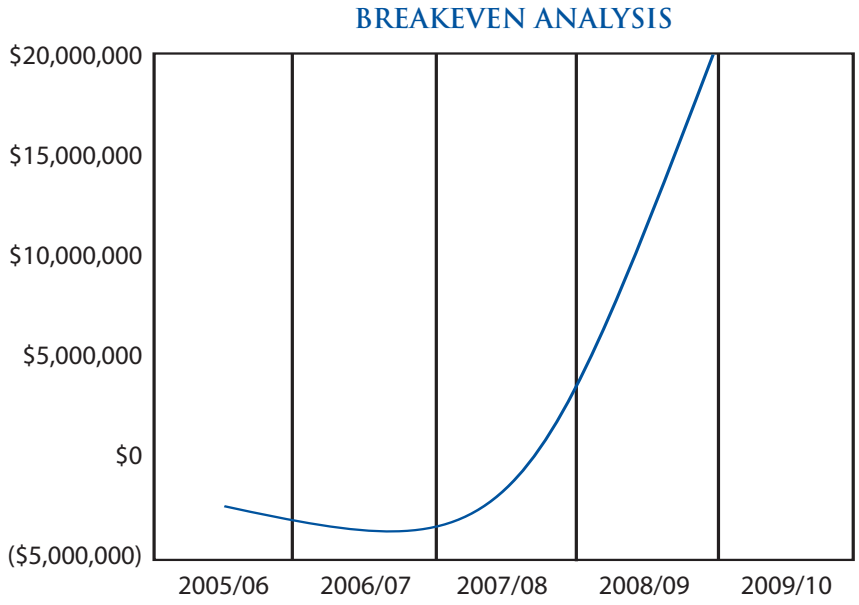
- Because DMG expects to begin operation in April 2005, the DMG fiscal year is April through

March of the following year.

- DMG must capture at least 20% of the share of the livestock tagging market.
- Sales must remain on target as projected.
- Projected expenses for hardware, software and labor are accurate and will remain relatively unchanged and costs will be controlled.
- DMG will be successful in capturing enough data to make subscription and aggregate data sales attractive to the market.

9.3 BREAKEVEN ANALYSIS

DMG will break even in the ninth month of year three. During its first five years of operation, DMG will capture 20% of the market for livestock tags, realizing tag sales of $34,630,371 and data subscripton sales of $100,000,000.

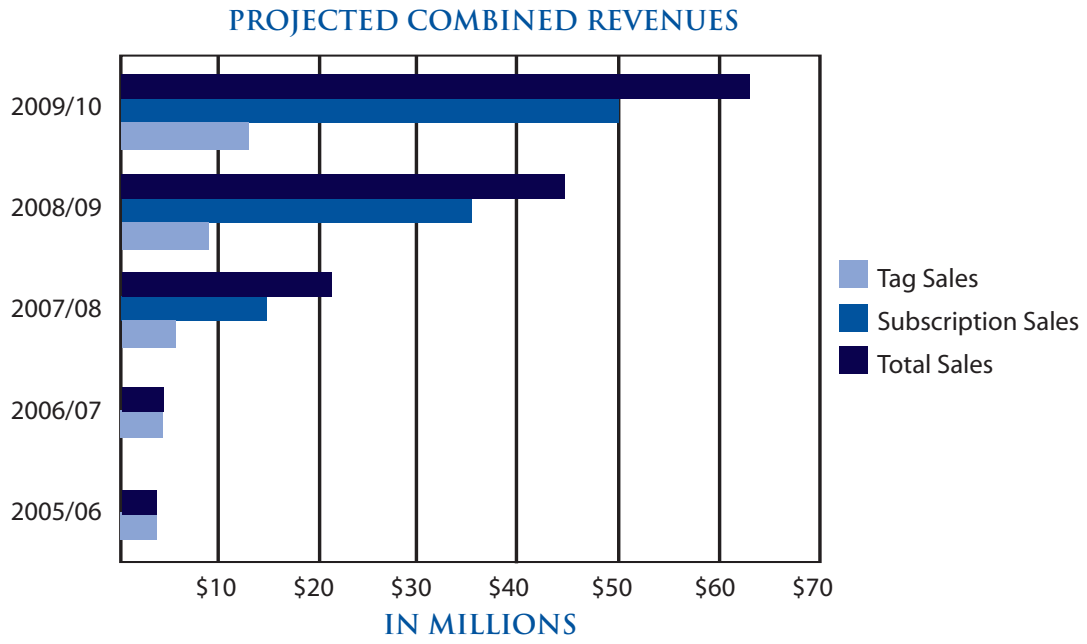


9.4 PROJECTED REVENUES

Projected revenues shown in the following charts are based on the following:

- Sales of digitalBRAND will immediately begin after the successful completion of the pilot program.
- Sales materials will be completed during the pilot program, so sales staff can begin selling immediately once the pilot program is completed.
- Following the successful completion of the pilot program, DMG will begin placing advertising in print and electronic media to support the brand and drive sales.
- There is no significant seasonality in sales patterns.

• The livestock industry is a continually rewable industry. As livestock are born they must be tagged.



REVENUES	2005	2006	2007	2008	2009
Tag sales	$1,687,500	$3,646,875	$6,058,594	$9,073,242	$12,841,553
Subscription sales	—	—	$15,000,000	$35,000,000	$50,000,000
Total revenues	$1,687,500	$3,646,875	$21,058,594	$44,073,242	$62,841,553

The complete profit and loss projections for DMG are outlined on pages 31 and 32 in the Supporting Documents section.

9.5 PROJECTED CASH FLOW

Cash flow projections for DMG are outlined on page 33 in the Supporting Documents section.

9.6 PROJECTED BALANCE SHEET

The projected balance sheet for DMG is presented on page 34 in the Supporting Documents section.

SUPPORTING DOCUMENTS

Data Morphology Group
Pro Forma Net Income (Loss)
Fiscal Year

	2005/06	2006/07	2007/08	2008/09	2009/10
Revenues:					
Tag sales	$ 1,875,000	$ 3,843,750	$ 6,304,688	$ 9,380,859	$ 13,226,074
Subscription sales	-	-	15,000,000	35,000,000	50,000,000
	1,875,000	3,843,750	21,304,688	44,380,859	63,226,074
Expenses:					
Cost of tag sales	468,750	585,938	732,422	915,527	1,144,409
Incremental cost of subscription sales	-	-	5,250,000	12,250,000	17,500,000
Management					
Salaries, taxes and benefits	382,500	401,625	421,706	878,477	1,251,501
Travel & entertainment expense	60,000	63,000	66,150	69,458	72,930
Legal and professional	24,000	50,000	52,500	109,365	155,805
Marketing					
Salaries, taxes and benefits	1,232,422	1,418,359	1,910,449	2,445,874	2,885,468
Travel & entertainment expense	118,313	151,791	223,523	305,904	372,006
Marketing expenses	50,000	46,000	49,500	53,000	54,500
System maintenance					
Salaries, taxes and benefits	554,625	582,356	611,474	642,048	674,150
Leased hardware & software	396,302	396,302	1,774,681	1,774,681	1,378,379
Hardware & software support	332,070	332,070	2,932,070	2,932,070	2,600,000
Network support	72,750	90,000	94,500	196,858	280,448
Equipment & software depreciation	128,719	128,719	128,719	128,719	-
Amortization of start-up costs	25,000	25,000	25,000	25,000	-
Facilities	194,400	204,120	214,326	446,473	636,057
Insurances	100,000	100,000	105,000	218,731	311,609
Other IT-related	-	-	600,000	1,249,890	1,780,624
Administration					
Salaries, taxes and benefits	405,000	506,250	632,813	664,453	697,676
Office expenses	12,500	15,625	19,531	24,414	30,518
Administrative expense	6,000	7,500	9,375	11,719	14,648
Other administrative	30,000	50,000	52,500	55,125	57,881
	4,593,350	5,154,654	15,906,239	25,397,786	31,898,609
Net income	$ (2,718,350)	$ (1,310,904)	$ 5,398,448	$ 18,983,073	$ 31,327,465
Net Margin	-145%	-34%	25%	43%	50%

Data Morphology Group
Pro Forma Net Income (Loss)
Year 1

					5%	10%	15%	15%	15%	10%	10%	10%	10%		
	Mo 1	Mo 2	Mo 3	3 months	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	9 months	12 months
	Pilot Study				***Operational Phase***										
Revenues:															
Tag sales	$ -	$ -	$ -	$ -	$ 93,750	$ 187,500	$ 281,250	$ 281,250	$ 281,250	$ 187,500	$ 187,500	$ 187,500	$ 187,500	$ 1,875,000	$ 1,875,000
Subscription sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	93,750	187,500	281,250	281,250	281,250	187,500	187,500	187,500	187,500	1,875,000	1,875,000
Expenses:															
Cost of tag sales	-	-	-	-	23,438	46,875	70,313	70,313	70,313	46,875	46,875	46,875	46,875	468,750	468,750
Incremental cost of subscription sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management															
Salaries, taxes and benefits	31,875	31,875	31,875	95,625	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	286,875	382,500
Travel and entertainment expense	5,000	5,000	5,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	60,000
Legal and professional	2,000	2,000	2,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	24,000
Marketing															
Salaries, taxes and benefits	-	-	-	-	136,936	136,936	136,936	136,936	136,936	136,936	136,936	136,936	136,936	1,232,422	1,232,422
Travel and entertainment expense	-	-	-	-	13,146	13,146	13,146	13,146	13,146	13,146	13,146	13,146	13,146	118,313	118,313
Marketing expenses	-	-	-	-	16,667	-	-	5,556	5,556	5,556	5,556	5,556	5,556	50,000	50,000
System maintenance															
Salaries, taxes and benefits	-	-	-	-	61,625	61,625	61,625	61,625	61,625	61,625	61,625	61,625	61,625	554,625	554,625
Leased hardware & software	33,025	33,025	33,025	99,075	33,025	33,025	33,025	33,025	33,025	33,025	33,025	33,025	33,025	297,226	396,302
Hardware & software support	27,673	27,673	27,673	83,018	27,673	27,673	27,673	27,673	27,673	27,673	27,673	27,673	27,673	249,053	332,070
Network support	1,750	1,750	1,750	5,250	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	67,500	72,750
Equipment & software depreciation	10,727	10,727	10,727	32,180	10,727	10,727	10,727	10,727	10,727	10,727	10,727	10,727	10,727	96,539	128,719
Amortization of start-up costs	2,083	2,083	2,083	6,250	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	18,750	25,000
Facilities	16,200	16,200	16,200	48,600	16,200	16,200	16,200	16,200	16,200	16,200	16,200	16,200	16,200	145,800	194,400
Insurances	8,333	8,333	8,333	25,000	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	75,000	100,000
Administration															
Salaries, taxes and benefits	33,750	33,750	33,750	101,250	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	303,750	405,000
Office expenses	1,500	1,000	1,000	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000	12,500
Administrative expense	500	500	500	1,500	500	500	500	500	500	500	500	500	500	4,500	6,000
Other	2,500	2,500	2,500	7,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500	30,000
	176,916	176,416	176,416	529,748	433,977	440,747	464,185	469,741	469,741	446,303	446,303	446,303	446,303	4,063,602	4,593,350
Net income (loss)	$ (176,916)	$ (176,416)	$ (176,416)	$ (529,748)	$ (340,227)	$ (253,247)	$ (182,935)	$ (188,491)	$ (188,491)	$ (258,803)	$ (258,803)	$ (258,803)	$ (258,803)	$ (2,188,602)	$ (2,718,350)

Key Assumptions:

Revenues:
- > No tag revenue from Pilot Study
- > Tag revenue @ $5/tag once Operational Phase begins
- > Revenue and Cost of Revenue projections in Revenue model
- > Laptop, tag reader, other equipment sales not shown (pass-through to customer)
- > Subscription revenues begin 90 days after first tag sales
- > 30 days terms

Expenses:
- > Marketing expenses for Operational Phase roll out beginning Month 4 include call center, literature, mailing costs, field operations
- > Hardware & software leased, except for developed software
- > Support contracts equivalent to 10%-25% of original cost plus $1,750 monthly network connection charges ($7,500 in Operational Phase)

Data Morphology Group
Pro Forma Cashflow
Year 1

	Mo 1	Mo 2	Mo 3	3 months	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	9 months	12 months
	Pilot Study				*Operational Phase*										
Revenues:															
Tag sales	$ -	$ -	$ -	$ -	$ -	$ 93,750	$ 187,500	$ 281,250	$ 281,250	$ 281,250	$ 187,500	$ 187,500	$ 187,500	$ 1,687,500	$ 1,687,500
Subscription sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	93,750	187,500	281,250	281,250	281,250	187,500	187,500	187,500	1,687,500	1,687,500
Operating expenses:															
Cost of tag sales	-	-	-	-	23,438	46,875	70,313	70,313	70,313	46,875	46,875	46,875	46,875	468,750	468,750
Incremental cost of subscription sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management															
Salaries, taxes and benefits	31,875	31,875	31,875	95,625	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	31,875	286,875	382,500
Travel and entertainment expense	5,000	5,000	5,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	60,000
Legal and professional	2,000	2,000	2,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	24,000
Marketing															
Salaries, taxes and benefits	-	-	-	-	136,936	136,936	136,936	136,936	136,936	136,936	136,936	136,936	136,936	1,232,422	1,232,422
Travel and entertainment expense	-	-	-	-	13,146	13,146	13,146	13,146	13,146	13,146	13,146	13,146	13,146	118,313	118,313
Marketing expenses	-	-	-	-	16,667	-	-	5,556	5,556	5,556	5,556	5,556	5,556	50,000	50,000
System maintenance															
Salaries, taxes and benefits	-	-	-	-	61,625	61,625	61,625	61,625	61,625	61,625	61,625	61,625	61,625	554,625	554,625
Leased hardware & software	33,025	33,025	33,025	99,075	33,025	33,025	33,025	33,025	33,025	33,025	33,025	33,025	33,025	297,226	396,302
Hardware & software support	27,673	27,673	27,673	83,018	27,673	27,673	27,673	27,673	27,673	27,673	27,673	27,673	27,673	249,053	332,070
Network support	1,750	1,750	1,750	5,250	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	67,500	72,750
Facilities	16,200	16,200	16,200	48,600	16,200	16,200	16,200	16,200	16,200	16,200	16,200	16,200	16,200	145,800	194,400
Insurances	8,333	8,333	8,333	25,000	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	75,000	100,000
Administration															
Salaries, taxes and benefits	33,750	33,750	33,750	101,250	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	303,750	405,000
Office expenses	1,500	1,000	1,000	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000	12,500
Administrative expense	500	500	500	1,500	500	500	500	500	500	500	500	500	500	4,500	6,000
Other	2,500	2,500	2,500	7,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500	30,000
	164,106	163,606	163,606	491,318	421,167	427,938	451,375	456,931	456,931	433,493	433,493	433,493	433,493	3,948,313	4,439,631
Capital expenditures:															
System development - purchased	250,000	-	-	250,000	-	-	-	-	-	-	-	-	-	-	250,000
System development - internal	61,625	61,625	61,625	184,875	-	-	-	-	-	-	-	-	-	-	184,875
Field devices	30,000	-	-	30,000	-	-	-	-	-	-	-	-	-	-	30,000
Software	50,000	-	-	50,000	-	-	-	-	-	-	-	-	-	-	50,000
	391,625	61,625	61,625	514,875	-	-	-	-	-	-	-	-	-	-	514,875
Increase (decrease) in cash	$ (555,731)	$ (225,231)	$ (225,231)	$ (1,006,193)	$ (421,167)	$ (334,188)	$ (263,875)	$ (175,681)	$ (175,681)	$ (152,243)	$ (245,993)	$ (245,993)	$ (245,993)	$ (2,260,813)	$ (3,267,006)
Beginning cash	-	1,444,269	1,219,038	-	993,807	3,572,640	3,238,453	2,974,578	2,798,897	2,623,216	2,470,973	2,224,980	1,978,987	993,807	-
Capital funding	2,000,000	$ -	$ -	$ 2,000,000	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,000,000	5,000,000
Ending cash	$ 1,444,269	$ 1,219,038	$ 993,807	$ 993,807	$ 3,572,640	$ 3,238,453	$ 2,974,578	$ 2,798,897	$ 2,623,216	$ 2,470,973	$ 2,224,980	$ 1,978,987	$ 1,732,994	$ 1,732,994	$ 1,732,994

Key Assumptions:

Revenues:
> No tag revenue from Pilot Study
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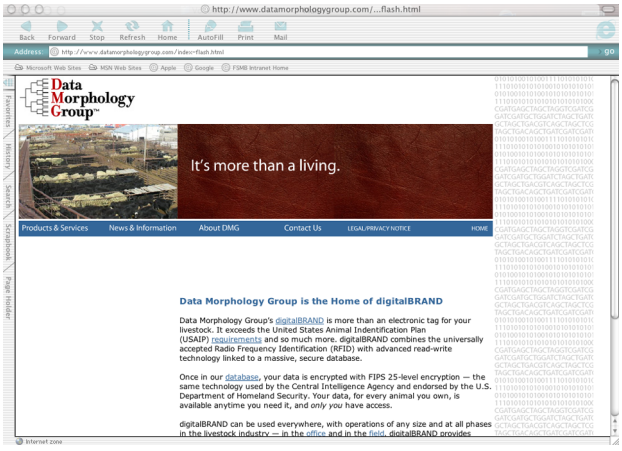
Expenses:
> Marketing expenses for Operational Phase roll out beginning Month 4 include call center, literature, mailing costs, field operations
> Hardware & software leased, except for developed software
> Support contracts equivalent to 10%-25% of original cost plus $1,750 monthly network connection charges ($7,500 in Operational Phase)

Data Morphology Group
Pro Forma Balance Sheet
Fiscal Year Ended

	2005/06	2006/07	2007/08	2008/09	2009/10
Assets:					
Cash	$ 1,732,994	$ 378,933	$ 25,685,006	$ 59,514,181	$ 55,457,125
Accounts receivable	187,500	384,375	630,469	938,086	1,322,607
	1,920,494	763,308	26,315,475	60,452,267	56,779,732
Unamortized start-up costs	75,000	50,000	25,000	-	-
Equipment, net of depreciation	386,156	257,438	128,719	-	-
	$ 2,381,650	$ 1,070,746	$ 26,469,194	$ 60,452,267	$ 56,779,732
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Deferred revenues	-	-	20,000,000	35,000,000	-
	-	-	20,000,000	35,000,000	-
Shareholders' equity					
Capital	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000	$ 5,100,000
Retained earnings (deficit)	(2,718,350)	(4,029,254)	1,369,194	20,352,267	51,679,732
	$ 2,381,650	$ 1,070,746	$ 6,469,194	$ 25,452,267	$ 56,779,732
Liabilities and shareholders' equity	$ 2,381,650	$ 1,070,746	$ 26,469,194	$ 60,452,267	$ 56,779,732

THE DMG WEBSITE



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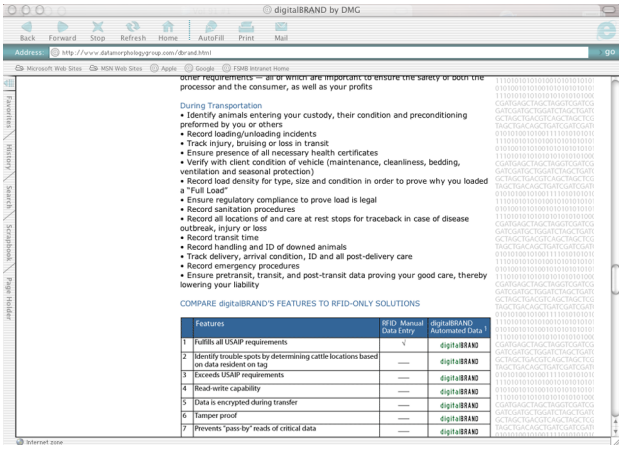

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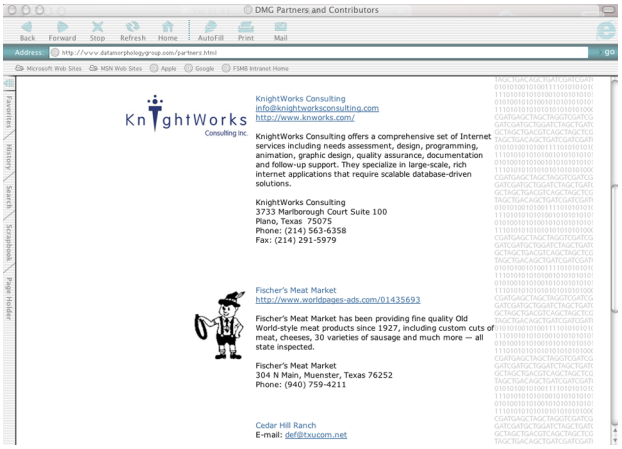
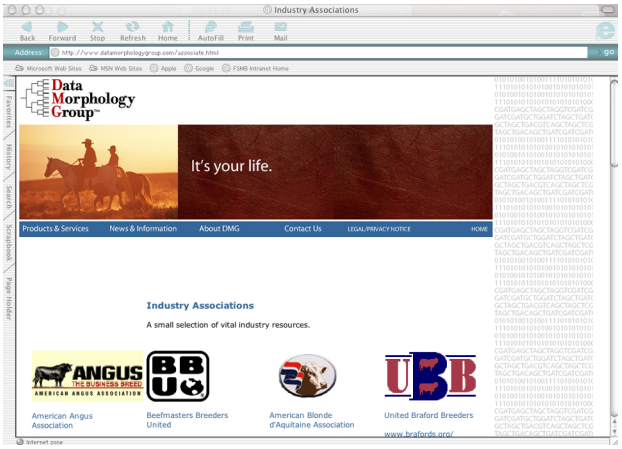


The Partners and Contributors page



The Industry Associations page