



OKBRIDGE, INC. CORPORATE OVERVIEW

INTRODUCTION

OKbridge, Inc. (www.okbridge.com) is the leading online bridge club in the world, with nearly 13,000 members in more than 100 countries. Founded in 1994, the San Diego-based company pioneered the concept of online bridge and offers the most advanced features for professional players while ensuring that novices and bridge enthusiasts can play online easily and improve their game. The company's flagship offering, OKwin, is one of the most popular online bridge games, offering players of all levels daily stratified tournaments that simulate a duplicate movement at a traditional bridge club. The tournaments use the extremely popular 12-board mini format, letting players with limited time have a tournament experience at their convenience. Players with more time can combine two 12-board minis to obtain the more traditional 24-board tournament experience.

OKbridge leverages the Internet to create a powerful online bridge community in which seasoned players can challenge one another, beginners can learn the game in the comfort and convenience of their homes, and anyone can play anywhere there is an Internet connection. OKbridge members can play bridge anytime, challenge experts, obtain useful tips from the pros and enjoy rewarding social interaction with a growing online community worldwide.

The club appeals to a diverse cross-section of players including high-profile members such as Bill Gates and Warren Buffett, top-ranked professionals such as Paul Soloway (No. 1 ACBL masterpoint holder) and Bob Hamman (No. 1 World Bridge Federation player) in addition to bridge enthusiasts of all ages from around the world.

THE INTERNET AND THE GAME OF BRIDGE

The explosive growth of the Internet has created substantial online opportunities for businesses and consumers alike. According to market research firm International Data Corporation, almost one billion people worldwide will be going online by 2005, compared with 461 million in 2001. Additionally, industry analysts predict that greater availability of high-speed Internet access will continue to drive growth over the next few years, as more

households get broadband service. Meanwhile, increasing numbers of web sites now offer movies, music and entertainment that require fast delivery speeds. Internet use also is expected to grow at a rapid pace in Europe, where early acceptance was inhibited partly by high telecommunications costs.

The Internet has transformed how we work, shop and play. In particular, online gaming is becoming incredibly popular, with analysts forecasting a six-fold increase by 2006. A new report from DFC Intelligence predicts that 114 million people worldwide will be playing online games by that time. In the midst of the new media and onslaught of 3D animation games, the game of bridge, which traces its roots back to the 16th century, is enjoying a resurgence online.

A mentally challenging game, bridge is embraced by millions of players worldwide. Now recognized as a sport by the International Olympics Committee, bridge has a substantial global following. For example, the World Bridge Federation comprises 103 National Contract Bridge Organizations with about 700,000 affiliated members who participate actively in international, national and local competitive events and tournaments. The American Contract Bridge League, founded in 1937, boasts more than 165,000 members in the United States, Canada, Mexico and Bermuda. Many professional players and bridge enthusiasts have turned to the Internet to play at their convenience, hone their skills and expand their social network.

In the OKbridge community, the social aspects of the club have fostered lasting, international friendships and even sparked a number of romances, some leading to marriage. In addition to the social benefits, several studies have shown a link between bridge and a boost to the immune system. In a study conducted by Marian Cleeves Diamond, a professor at the University of California at Berkeley, a dozen bridge players showed a marked increase in the production of disease-fighting white blood cells after completing a round of bridge. Other studies revealed that mental activity such as playing bridge can lower the risk of developing Alzheimer's disease and other dementias by as much as 75 percent.

HOW OKBRIDGE WORKS

When players initiate a bridge session in OKbridge, they enter the lobby of the bridge club where they can see the open tables that other members have already set up for playing bridge. They can join one of these existing tables or set up a new one. Members can view

which players are already at the club, review their profiles and chat with them as they select potential partners and opponents. Each profile contains relevant contact information, playing level and preferences. Profiles also track the different duplicate boards each member has played, displaying total scores and ratings.

To join a game, players simply highlight a table and then click to watch others play or ask to participate. Once a foursome is arranged, OKbridge's proprietary software deals the cards, and shows bids and plays to all participants, including those joining as spectators. Spectators are allowed to see all four hands as they are being played, which provides an opportunity to watch expert players for a unique learning experience. Spectators can converse freely with each other but not the players. Observers, on the other hand, do not see all hands and can communicate freely with the players. After each hand is played, everyone may review the hand and compare how it was played at other tables.

Rubber bridge, the most widespread form of bridge, is available on OKbridge. In addition, OKbridge organizes continuous duplicate play into two weekly events: a Matchpoint event and International Matchpoint event. At the end of each week, scores are tabulated for each duplicate board played during the week. Matchpoints are assigned based on a score that measures how a player did relative to each other member who played their cards at the other tables. International matchpoints use the "pairwise" method to compute the scores.

In addition to four-person play, OKbridge allows two foursomes to play against each other. Tournament play is also available in which many participants simultaneously play a set of boards in a format resembling a single-session duplicate event at a bridge tournament. Tournament games are played "barometer style," which means all tables play the same boards at the same time and players can see their scores as they progress through the event. Moreover, players will normally face pairs with similar scores to create a more exciting game.

OKbridge maintains a database of every hand played, so players can review hands from previous weeks and see how they compared to other members. Each player in the OKbridge club is given a rating based upon the results achieved according to the Lehman system. A world-class conduct and ethics team oversees a "no cheating" policy and ensures fair play.

An annual membership to OKbridge is \$99, which includes unlimited play, the opportunity to chat online with other members and "kibitz" pros, along with access to up-to-date bridge articles and expert advice.

Introduced in 1995, OKwin works with all versions of Microsoft Windows® from Windows 95 and up, including Windows 2000, 2003 and XP editions. One of the most popular online bridge programs on the market with a loyal following of both professional and novice players, OKwin is a downloadable application that runs on the club member's personal computer. OKplus, the latest offering from OKbridge, builds upon the advanced features found in OKwin while providing an intuitive interface, unprecedented flexibility and platform independence.

OKPLUS—THE NEXT LEVEL OF ONLINE BRIDGE

As the online bridge club pioneer, OKbridge has continually enhanced its software to stay at the forefront of the industry. Over the years, new features have increased functionality and improved ease-of-use. In June 2004, the club introduced OKplus, a new web-based version that works with any browser and runs on any platform, enabling members to play bridge from anywhere they can access the Internet. OKplus brings the same advanced features found in OKwin to a broader base of Apple Macintosh® and Windows users along with the added convenience of being able to play the game from home, at a favorite coffee shop or recreation center as well as while on vacation or traveling.

The browser-based program eliminates the need to download any software directly to members' computers. Instead, they simply log onto the Internet to access the many features and added functionality in this latest OKbridge product. In addition to making it easier and more convenient to play bridge online, OKplus offers an enhanced user interface, improved chat room capabilities and advanced features that let users tailor the game to their individual playing style. With customizable views, members can expand or collapse different program areas as well as create separate windows for the Chat, Information or Game Play areas. OKplus gives members the additional flexibility to move and size different windows as well as view and interact with different information in each window.

For instance, users can watch or play a game, view tables and players in the lobby as well as have multiple chat and information areas all viewable at the same time. Or they can collapse a view or panel, giving them more room to expand the size of the main area, which is the primary place for finding tables and players.

The OKplus lobby has also been enhanced to provide an intuitive and friendly environment for finding tables, friends, members, tournaments, etc. A new icon view of tables offers at-

a-glance information without having to review more detailed information about each table. Members can create multiple lobbies where they can view players and tables that meet their pre-defined criteria. This additional flexibility makes it easier for novice players to get started while enabling more experienced players to customize their lobby areas as desired.

Since interaction with other players is an integral part of online bridge, OKplus provides multiple options for displaying and using chat features. The chat area has been increased in size to allow the display and entry of longer messages as well as the ability to create separate, customizable chat windows for carrying on multiple chat sessions with selected individuals, tables or everyone. A new private chat feature is also available.

As one of the first platform-independent programs on the market, OKplus works on any computer connected to the Internet, including Microsoft, Macintosh and Linux-based systems, to offer all OKbridge club members a highly flexible and easy way to play bridge online.

THE ORIGINS OF OKBRIDGE

Matthew Clegg, the founder and CEO of OKbridge, developed the online bridge concept while living abroad in 1990 as a way to stay connected with friends and family in the United States. OKbridge was first released to the public in August 1990 as freeware and its overwhelming success prompted Clegg to develop a business model that supported a subscription-based online bridge club. Clegg continued to gain momentum by debuting the first online service to offer duplicate bridge and spearheading the first online bridge tournament with 16 teams spanning five continents. In June 1994, the first commercial release of OKbridge was unveiled followed by a Microsoft Windows version the following year.

In August 1997, OKbridge became the first online bridge club to be sanctioned by the American Contract Bridge League (ACBL) for the issuance of masterpoints. Later that same year, OKbridge began offering daily online duplicate tournaments while Clegg was named the International Bridge Press Association's Personality of the Year for his contributions to the game of bridge. In March 1999, OKbridge co-sponsored the first Internet World Bridge Championships, along with the ACBL, *Bridge World* magazine and the World Bridge Federation.

Corporate Overview

In April 2004, OKbridge announced a strategic alliance with Prize Money Bridge Tour, the leading promoter of cash-prize bridge events, to sponsor a series of nationwide tournaments.

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