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April 5, 1993

Mr. John Sculley
Chairman of the Board & Chief Executive Officer
Apple Computer
20525 Mariani Avenue
Cupertino, CA 95014

RE: United States Patent 5,191,573

Dear Mr. Sculley:

I am pleased to inform you of the recent issuance of United States Patent 5,191,573, titled: "*Method for transmitting a desired digital video or audio signal*". This patent will revolutionize the video rental industry and the prerecorded music industry, among others, and will serve as the catalyst to propel the multimedia industry into the 21st century. In short, my patent speaks to a method to sell prerecorded movies, music, and other forms of information over telecommunications lines for subsequent playback by the purchaser on their television set, home stereo, car stereo, computer, etc.

Currently, I am in the early stages of identifying and assessing various business structures as they relate to the implementation of this patent. To fully understand the implications, I am discussing business alliances with major corporations with a vested interest in the motion picture, prerecorded music, computer systems & peripherals, and/or telecommunications industries. These alliances may include the formation of a new company with the express purpose of manufacturing the product and selling the various recordings, a joint venture with a variety of contributing corporations, a licensing arrangement, and/or some other form of a business accommodation. Obviously, the final application of this technology will have a very positive and far reaching impact on each one of the industries listed above, and should be of interest to Apple Computer.

Enclosed is a copy of United States Patent 5,191,573 for your review. If you have any questions about this patent, and/or are interested in discussing this matter in more detail, please feel free to contact me at your earliest convenience.

Sincerely,



Arthur R. Hair

Enclosures: (1)