

Chironworks

Executive Summary

James C. Lin

Tel: 886-972060827

Email: jamescwwlin@gmail.com

Skype:jamesclin827

AIM:jamesclin827

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Executive Summary

The worldwide market size of computers of various form factors is estimated to be 339,400,000 units in 2010 and growing at 6% annually. As each computer requires an operating system, the market potential for operating systems is enormous. As the “Babel Operating System” will be developed on 2008 hardware targeting the first 2.5% *innovators* of computer buying population, the potential initial target market of computers from 2008 to 2010 totals 23,507,500 units at product launch. The operating system market is saturated with the “desktop” paradigm which has been in existence for over 39 years and is long over due for a **paradigm shift**.

In the marketing campaign, the “Babel Operating System” will boldly proclaim to be “**the very first semantic computer capable of recording and automating human logical thinking threads**”. In a nutshell, it is a replacement for the traditional desktop managers based on the FreeBSD operating system. The User Interface design of “Babel” is a **disruptive technology** that provides a paradigm shift away from the current “desktop” paradigm. The leap in technological advance may be compared to the switch from Microsoft’s DOS command line interface to Apple’s Macintosh graphical user interface. The “Babel Operating System” is based on the inventor’s invention, Communication User Interface. The invention has broad implications in the development of computer science as we know it and will change the perception of the role of computers from a *tool* to an **extension of the human brain**.

Designed from a communication perspective, the new paradigm allows construction of “computing events” that mimics human logical thinking threads. The advantages of this new paradigm in the Internet age include enticing a much stronger emotional attachments to the computer, natural language based reference of data with context, elimination of multiple existence of the same data, interchangeable computing resource between local and remote processing power, a revolutionary interaction sequence with the computer that hides changes in technology and provides a simplified front end to the end user thus expanding the potential user base of computers, and to make available, *qualitative artificial intelligence* on the computer.

The venture is expected to produce a prototype as concept demonstration in the 6th month, full technology documentation and starting of patent applications up to Version 5.0 at 12th month and, after a 24 month development period, Version 1.0 with **Communication User Interface** will be

released to the general public worldwide at the 30th month of operation. Version 2.0 will be expected at the 48th month with **Qualitative Artificial Intelligence Engine** and computer units with the “Babel Operating System” *pre-installed* are expected to be on sale in North America. Version 3.0 will be expected at the 66th month with **English Natural Language Voice I/O Interface**. Version 4.0 will be expected at the 84th month with **Machine Sensory Integration**. Version 5.0 will be expected at the 102nd month with **Simulated Machine Consciousness**. As demonstrated, new terminologies had to be coined to express the revolutionary new ideas “Babel” proposes and theories development have reached Version 5.0.

It is important to note that Chironworks will **NOT** release Version 1.0 of “Babel” before all patentable technologies up to Version 5 have their patents applications submitted and filed. The history of operating system has proven that UI advances are notoriously difficult to patent and protect. In the 12 years of concept development, secrecy has been the operative word for the project and protected fiercely. However, it will be a top priority once Chironworks is established as an operating corporate entity.

Chironworks expects to sell Version 1.0 of “Babel Operating System” both online and in retail packaging. However, starting with Version 2.0, Chironworks will attempt to make possible for sales of “Babel Operating System” **pre-installed** on new computer systems. The tactic is vital as consumers generally do not distinguish between the cost of hardware and the cost of an operating system. In addition, the main competitor, Microsoft, generates 80% of its operating system revenue from OEM pre-installation of its operating systems.

The operation philosophy of Chironworks is made up of two key phrases, “market share” and “longevity”. Therefore, aside from the \$15 million initial marketing budget, 70% of revenue generated from prior year since the release of Version 1.0 will be spent recursively on marketing efforts, until “Babel” gathers sales momentum in the market. Chironworks will be in the operating system business for the long haul.

The **startup** funding requires a total of \$26 million dollars over 2.5 years, \$11 million of which will be used to develop the product, expected to be achieved in 30 months and the remaining \$15 million will be used for initial marketing campaign when the product is released in the 31st month. The funding, expected in four trenches (3+4+4+15), will be used to establish Chironworks as a type

C corporation to be located in San Francisco, California between the second half of 2008 and first half of 2009. The investors will receive equity interest in Chironworks commensurate with the value of their investment. (full financial documentation and forecasting are available in the complete business plan).

Priced at \$299 USD per copy, according to projected financial data, the venture is expected to break even by the 34th month of operation which amounts to 86,957 copies sold for an initial target market of 23,507,500. It will have an Internal Rate of Return (**IRR**) of **722%** by the end of Year 7.

The venture will be headed by the inventor James C. Lin as the CEO/CTO with backgrounds in marketing, interactive arts, software development and hardware manufacturing (full autobiography and list of other past inventions are available in the full business plan).