EXHIBITS 11 THROUGH 15
EXHIBIT 11
First Virtual Communications Common Stock to be De-listed from The Nasdaq SmallCap Market

Tuesday August 24, 8:00 am ET

REDWOOD CITY, Calif.-(BUSINESS WIRE)--Aug. 24, 2004--First Virtual Communications, Inc. (Nasdaq: FVCCE - News), today announced that on August 24, 2004 the Company was notified that its request for an extension to comply with Nasdaq's listing requirements had been denied. As a result, the Company's securities will be de-listed from The Nasdaq SmallCap Market effective with the commencement of trading on Wednesday, August 25, 2004.

The Company had previously been given a deadline of August 16, 2004 to file its quarterly reports for the periods ending March 31 and June 30, 2004, but it was unable to do so because of the ongoing special investigation. The Company advised Nasdaq of the Company's inability to meet that deadline and had requested an extension of an additional 30 days until September 15, 2004.

The Company has up to 15 days to appeal this decision to a Nasdaq Listing and Hearing Review Council, but the de-listing action will not be stayed while an appeal is pending. Since the Company is still not current with respect to its SEC filings, it is not currently eligible to trade on the OTC Bulletin Board. The Company has not yet decided whether or not to appeal the decision and is reviewing its available alternatives with respect to the trading of its securities.

About First Virtual Communications

First Virtual Communications is a premier provider of infrastructure and solutions for real time rich media communications. Headquartered in Redwood City, California, the Company also has operations in Europe and Asia. More information about First Virtual Communications can be found at www.fvc.com or by calling 1-800-728-6337 or +1-650-801-6500 outside North America.

Cautionary Statement:

Except for the historical information contained herein, this news release contains forward-looking statements, including, without limitation, statements containing the words, "believes," "anticipates," "expects" and words of similar import. Such forward-looking statements have known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of First Virtual Communications, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: any adverse impact arising from our de-listing from The Nasdaq SmallCap Market including any adverse impact on our commercial relationships, your ability to trade our securities or the value of such securities; the Company's need to raise additional capital to fund its operating requirements; any adverse impact arising from the continued delay in filing required periodic reports including the inability to meet the listing requirements of the OTC Bulletin Board or the Nasdaq SmallCap Market; the aggregate value of and impact on the Company of the investigation described in our Current Report on Form 8-K filed on August 17, 2004, including any possible expansion of the investigation and any possible restatement of previously announced financial results; the risk that sales of the Company's Click to Meet(TM) and Conference Server products will not increase or that new versions will not be released on a timely basis; the Company's variability of operating results; market acceptance of web conferencing technology; potential inability to maintain business relationships with integrators, distributors and suppliers; rapid technological changes; competition and consolidation in the web conferencing industry; the importance of attracting and retaining personnel; and other risk factors referenced in First Virtual Communications' public filings with the Securities and Exchange Commission, including the Company's report on Form 10-K for the year ended December 31, 2003.

All trademarks recognized.

Contact:

First Virtual Communications, Inc.
Truman Cole, 650-801-6369

Source: First Virtual Communications, Inc.
EXHIBIT 12
RADVISION™ COMPLETES PURCHASE OF SUBSTANTIALLY ALL ASSETS OF FIRST VIRTUAL COMMUNICATIONS, INC.

Fair Lawn, NJ, March 16, 2005 — RADVISION (Nasdaq: RVSN) reported today that it has completed the previously announced acquisition of substantially all of the operating assets, intellectual property and customer contracts of First Virtual Communications, Inc. (FVC™) and its wholly-owned subsidiary CUseeMe Networks™, Inc. The closing followed approval of the transaction by the United States Bankruptcy Court for the Northern District of California. FVC filed for protection under Chapter 11 on January 20, 2005.

“We believe the combination of the technologies of RADVISION and FVC, including their Click to Meet™ communications platform, yields a powerful desktop oriented solution that bridges all uses, whether they are in the meeting room, at the desktop, or on the road into a seamless multimedia communications architecture,” said Gadi Tamari, CEO of RADVISION.

“FVC has been a pioneer in the desktop conferencing and communications space with an award-winning, web-based solution that offers all of the features necessary for personal multimedia communications. With a track record of over seven years of delivering desktop-oriented communications solutions, FVC developed a large customer base in both the federal and enterprise markets — a customer base we intend to continue to serve and expand.”
Killko Caballero, RADVISION’s Senior Vice President of Enterprise Strategy, will also head a new division comprising the former FVC assets. Prior to joining RADVISION, Mr. Caballero served as president and CEO of FVC as well as Chief Technology Officer and later the Chairman, President and CEO of CUseeMe, before it was acquired by FVC. He commented: “We have hired a significant number of key FVC employees in every area of the company’s operations and welcome them to RADVISION. Our focus now is to deliver seamless service and support to all FVC customers as well as to fully develop the substantial potential of our combined technologies.”

The assets of First Virtual Communication and its wholly-owned subsidiary CUseeMe Networks, Inc. include contracts and technologies related to providing integrated real-time voice, video, and Web collaboration/communication solutions to enterprises, service providers, and portals. FVC’s flagship product, Click to Meet, provides a distributed software-based rich media communications platform and downloadable Web browser-based communications software client that transparently passes through firewalls – making it ideal for consumer, video call centers, and extranet applications. Click to Meet also features tight integration with commonly used enterprise desktop applications and network solutions including Microsoft Outlook, Microsoft Active Directory, Microsoft Office Live Communications Server 2005, IBM Lotus Instant Messaging, and IBM Domino directory.

Additional information on the acquisition has been posted to the RADVISION website at: http://www.radvision.com/FVC.

About RADVISION
RADVISION Ltd. (Nasdaq: RVSN) is the industry’s leading provider of high quality, scalable and easy-to-use products and technologies for videoconferencing, video telephony, and the development of converged voice, video and data over IP and 3G networks. For more information please visit our website at www.radvision.com.

This press release contains forward-looking statements that are subject to risks and uncertainties. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, general business conditions in the industry, changes in demand for products, the timing and amount or cancellation of orders and other risks detailed from time to time in RADVISION’s filings with the Securities Exchange Commission, including RADVISION’s Form 10-K Annual Report. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statement.

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EXHIBIT 13
FAS 48: Revenue Recognition When Right of Return Exists

FAS 48 Status

Issued: June 1981

Effective Date: For fiscal years beginning after June 15, 1981

Affects: Amends FAS 32, Appendix A

Affected by: No other pronouncements

Issues Discussed by FASB Emerging Issues Task Force (EITF)

Affects: No EITF Issues

Interpreted by: No EITF Issues

Related Issues: EITF Issues No. 00-21, 00-22, 00-24, 01-3, 01-4, and 01-9

FAS 48 Summary

This Statement specifies how an enterprise should account for sales of its product in which the buyer has a right to return the product. Revenue from those sales transactions shall be recognized at time of sale only if all of the conditions specified by the Statement are met. If those conditions are not met, revenue recognition is postponed; if they are met, sales revenue and cost of sales reported in the income statement shall be reduced to reflect estimated returns and expected costs or losses shall be accrued.

Introduction

1. As discussed in FASB Statement No. 32, Specialized Accounting and Reporting Principles and Practices in AICPA Statements of Position and Guides on Accounting and Auditing Matters, the FASB is extracting the specialized accounting and reporting principles and practices from AICPA Statements of Position (SOPs) and Guides on accounting and auditing matters and issuing them in FASB Statements after appropriate due process. This Statement extracts the specialized principles and practices from SOP 75-1, Revenue Recognition When Right of Return Exists, and establishes accounting and reporting standards for sales of an enterprise's product in which the buyer has a right to return the product.

2. The Board has concluded that it can reach an informed decision on the basis of existing information
without a public hearing and that the effective date and transition specified in paragraphs 10-12 are
advisable in the circumstances.

APPLICABILITY AND SCOPE

3. This Statement specifies criteria for recognizing revenue on a sale in which a product may be
returned, whether as a matter of contract or as a matter of existing practice, either by the ultimate
customer or by a party who resells the product to others. The product may be returned for a refund of
the purchase price, for a credit applied to amounts owed or to be owed for other purchases, or in
exchange for other products. The purchase price or credit may include amounts related to incidental
services, such as installation.

4. This Statement does not apply to: (a) accounting for revenue in service industries if part or all of
the service revenue may be returned under cancellation privileges granted to the buyer, (b) transactions
involving real estate or leases, or (c) sales transactions in which a customer may return defective goods,
such as under warranty provisions.

5. This Statement does not modify any of the provisions of FASB Statement No. 49, Accounting for
Product Financing Arrangements. A product financing arrangement as defined in that Statement should
be accounted for as a borrowing rather than as a sale.

STANDARDS OF FINANCIAL ACCOUNTING AND REPORTING

Criteria for Recognizing Revenue When Right of Return Exists

6. If an enterprise sells its product but gives the buyer the right to return the product, revenue
from the sales transaction shall be recognized at time of sale only if all of the following conditions
are met:

a. The seller's price to the buyer is substantially fixed or determinable at the date of sale.

b. The buyer has paid the seller, or the buyer is obligated to pay the seller and the obligation is
not contingent on resale of the product.

c. The buyer's obligation to the seller would not be changed in the event of theft or physical
destruction or damage of the product.

d. The buyer acquiring the product for resale has economic substance apart from that provided by
the seller.2

e. The seller does not have significant obligations for future performance to directly bring about
resale of the product by the buyer.

f. The amount of future returns 3 can be reasonably estimated (paragraph 8).

Sales revenue and cost of sales that are not recognized at time of sale because the foregoing
conditions are not met shall be recognized either when the return privilege has substantially expired or if those conditions subsequently are met, whichever occurs first.

7. If sales revenue is recognized because the conditions of paragraph 6 are met, any costs or losses that may be expected in connection with any returns shall be accrued in accordance with FASB Statement No. 5, Accounting for Contingencies. Sales revenue and cost of sales reported in the income statement shall be reduced to reflect estimated returns.

8. The ability to make a reasonable estimate of the amount of future returns depends on many factors and circumstances that will vary from one case to the next. However, the following factors may impair the ability to make a reasonable estimate:

a. The susceptibility of the product to significant external factors, such as technological obsolescence or changes in demand

b. Relatively long periods in which a particular product may be returned

c. Absence of historical experience with similar types of sales of similar products, or inability to apply such experience because of changing circumstances, for example, changes in the selling enterprise's marketing policies or relationships with its customers

d. Absence of a large volume of relatively homogeneous transactions

The existence of one or more of the above factors, in light of the significance of other factors, may not be sufficient to prevent making a reasonable estimate; likewise, other factors may preclude a reasonable estimate.

Amendment to Statement 32

9. The reference to SOP 75-1, Revenue Recognition When Right of Return Exists, is deleted from Appendix A of Statement 32. The specialized accounting provisions of that SOP are superseded by this Statement.

Effective Date and Transition

10. This Statement shall be effective for fiscal years beginning after June 15, 1981, with earlier application encouraged. Accounting changes adopted to conform to the provisions of this Statement shall be applied retroactively. In the year that this Statement is first applied, the financial statements shall disclose the nature of any restatement and its effect on sales, income before extraordinary items, net income, and related per-share amounts for each year restated.

11. If retroactive restatement of all years presented is not practicable, the financial statements presented shall be restated for as many consecutive years as practicable and the cumulative effect of applying the Statement shall be included in determining net income of the earliest year restated (not necessarily the earliest year presented). If it is not practicable to restate any prior year, the cumulative effect shall be included in net income in the year in which the Statement is first applied. (Refer to paragraph 20 of APB Opinion No. 20, Accounting Changes.) The effect on sales, income before extraordinary items, net income, and related per-share amounts of applying this Statement in a year in which the cumulative effect is included in determining that year's net income shall be disclosed for that
12. Retroactive application of the provisions of paragraph 7 may require estimates of returns and costs or losses from returns that the enterprise has not previously made; information that may have become available after the year being restated may be considered in making those estimates.

The provisions of this Statement need not be applied to immaterial items.

This Statement was adopted by the unanimous vote of the seven members of the Financial Accounting Standards Board:

Donald J. Kirk, Chairman
Frank E. Block
John W. March
Robert A. Morgan
David Mosso
Robert T. Sprouse
Ralph E. Walters

Appendix A: BACKGROUND INFORMATION

13. It is the practice in some industries for customers to be given the right to return a product to the seller under certain circumstances. In the case of sales to the ultimate customer, the most usual circumstance is customer dissatisfaction with the product. For sales to customers engaged in the business of reselling the product, the most usual circumstance is that the customer has not been able to resell the product to another party. (Arrangements in which customers buy products for resale with the right to return products often are referred to as guaranteed sales.)

14. Sometimes, the returns occur very soon after a sale is made, as in the newspaper and perishable food industries. In other cases, returns occur over a longer period, such as with book publishing and equipment manufacturing. The rate of returns varies considerably from a low rate usually found in the food industry to a high rate often found in the publishing industry.

15. Situations that pose particular problems occur when sales result in significant overstocking by customers acquiring product for resale. In those situations, the recognition of revenue in one period often is followed by substantial returns in a later period.

16. SOP 75-1 was developed to reduce diversity in the accounting for revenue when the right of return exists. The following alternative accounting practices were being used when the SOP was issued:
(a) no sale was recognized until the product was unconditionally accepted, (b) a sale was recognized and
an allowance for estimated returns was provided, and (c) a sale was recognized without providing an
allowance for returns and, instead, sales returns were recognized when the product was returned. The
SOP established criteria that had to be met before sales revenue could be recognized.

17. The Board has not undertaken a comprehensive reconsideration of the accounting issues discussed
in SOP 75-1 and has extracted the specialized accounting and reporting principles without significant
change. Accordingly, some of the background material and discussion of accounting alternatives have
not been carried forward from the SOP. The Board's conceptual framework project on accounting
recognition criteria will address revenue recognition issues that may pertain to those addressed in this
Statement. A Statement of Financial Accounting Concepts resulting from that project in due course will
serve as a basis for evaluating existing standards and practices. Accordingly, the Board may wish to
evaluate the standards in this Statement when its conceptual framework project is completed.

Appendix B: SUMMARY OF CONSIDERATION OF COMMENTS ON
EXPOSURE DRAFT

18. An Exposure Draft of a proposed Statement, Revenue Recognition When Right of Return Exists,
was issued February 9, 1981. The Board received 36 comment letters in response to the Exposure
Draft. Certain of the comments received and the Board's consideration of them are discussed in this
appendix.

19. Some respondents requested that the Statement not apply to enterprises that account for inventory
using the retail method of accounting. They recommended that sales returns of retailers be permitted to
be recognized when merchandise actually is returned for refund or credit. They said that method is
appropriate because accounting for sales returns at time of sale for each product sold is not cost justified,
for three reasons. First, they believe that the results of recognizing sales returns when returns are made
gives substantially the same results as applying the provisions of the Statement, that is, the Statement
would have an insignificant effect on sales, gross margins, and earnings. Second, they state that
enterprises using the retail method have not maintained historic data on sales returns. They believe that
determining the percentage of sales of one accounting period returned in a later accounting period would
be time-consuming and costly, because of the number of transactions to be reviewed. Third, if they
were to follow the provisions of the Statement, providing for estimated returns for each product would
be complex and costly. Others disagreed with the suggestion of exempting retailers from the Statement.

20. The Board believes that the fundamental issue is materiality. The Board recognizes that the
provisions of this Statement may not materially affect the financial position and results of operations of
some enterprises that currently account differently than specified by this Statement. Like other FASB
Statements, the provisions of this Statement need not be applied to immaterial items. With respect to
those enterprises for which this Statement would have a material effect, the Board recognizes that
detailed record keeping for returns for each product line might be costly in some cases; this Statement
permits reasonable aggregations and approximations of product returns.

21. Some respondents suggested that exchanges by ultimate customers of one item for another of the
same kind, quality, and price (for example, one color or size for another) should not be treated as sales
returns for purposes of this Statement. They noted that retailers do not account for those exchanges as
sales returns. The Board adopted that suggestion in footnote 3.
22. Several respondents, particularly in the publishing industry, expressed concern that the wording of the condition in paragraph 6(b) (paragraph 11(b) of the Exposure Draft) changed its meaning from the similar condition in SOP 75-1. The Board has refined the wording to clarify that the condition is met if the buyer pays the seller at time of sale or if the buyer does not pay at time of sale but is obligated to pay at a specified date or dates. If, however, the buyer does not pay at time of sale and the buyer's obligation to pay is contractually or implicitly excused until the buyer resells the product, then the condition is not met.

23. The transition provisions in the Exposure Draft proposed that either prospective application with cumulative effect of a change in accounting principles or retroactive restatement be permitted. The Notice for Recipients of the Exposure Draft requested respondents to comment on whether the proposed transition is appropriate or whether the transition provisions should be limited to one of the alternatives. Of those respondents who commented on the transition provisions, a substantial majority recommended that one method be specified, but they disagreed on which method. The Board believes that, for recurring revenue recognition issues, comparability is enhanced if enterprises apply accounting standards retroactively by restating the financial statements of previous periods, and the Board has, therefore, adopted that method in this Statement. This Statement, however, calls for enterprises that are unable to restate previous years' financial statements to include the cumulative effect of those years in the earliest year restated.

24. Several individual respondents suggested various substantive changes to the Exposure Draft. Adoption of those suggestions would have required a reconsideration of the provisions of SOP 75-1. Those suggestions were not adopted because such a reconsideration is beyond the scope of extracting the specialized accounting and reporting principles and practices from the SOP, none of the changes was broadly supported, and the Board believes the suggestions should not be adopted.

25. Several respondents requested guidance regarding specific implementation questions; for example, treatment of partial or limited refunds and balance sheet presentation of accruals for expected returns. SOP 75-1 did not provide specific guidance about those questions and the Board concluded that it should not address those questions at this time.
EXHIBIT 14
FIRST VIRTUAL COMMUNICATIONS INC (FVCC)
3200 BRIDGE PARKWAY SUITE 202
REDWOOD CITY, CA 94065
650 801 6500

DEF 14A
DEF 14A
Filed on 04/29/2002 – Period: 06/14/2002
File Number 000-23305
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.  )

Filed by the Registrant ☒
Filed by a Party other than the Registrant ☐

Check the appropriate box:
☒ Preliminary Proxy Statement
☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☒ Definitive Proxy Statement
☒ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a-12

FIRST VIRTUAL COMMUNICATIONS, INC.

(Name of Registrant as Specified In Its Charter)

KILLKO A. CABALLERO

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):
☒ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (act forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

FIRST VIRTUAL COMMUNICATIONS, INC.
3393 Octavius Drive
Santa Clara, California 95054
EXECUTIVE COMPENSATION

COMPENSATION OF DIRECTORS

The Company does not currently provide cash compensation to directors for services in their capacity as a director, but directors may be reimbursed for certain expenses in connection with attendance at Board and committee meetings. The Company may compensate non-employee directors in the future.

All of the Company's non-employee directors are entitled to receive non-discretionary annual stock option grants under the Directors' Plan. Under the Directors' Plan, each non-employee director who is first elected to the Board after the adoption of the plan is automatically granted an option to purchase 30,000 shares of Common Stock and, subject to stockholder approval of Proposal 2, this initial grant will be increased from 30,000 shares to 40,000 shares. Each non-employee director is additionally granted an option to purchase 10,000 shares of Common Stock on each anniversary of the director's original grant under the Directors' Plan and, subject to stockholder approval of Proposal 2, this annual grant will be increased from 10,000 shares to 40,000 shares.

In addition, each non-employee director serving on the Audit, Compensation or Nominating Committees of the Board, is granted an option under the Directors' Plan to purchase 10,000 shares of Common Stock upon the director's appointment to the committee and on each anniversary of such director's original grant upon joining such committee, so long as the director is not then an employee of the Company, has continuously served on the committee during such time and is a member of the committee at the time of grant. Subject to stockholder approval of Proposal 2, the initial option grants to non-employee directors serving on the Audit, Compensation and Nominating Committees will be increased from 10,000 shares to 25,000 shares, 15,000 shares and 15,000 shares, respectively. Furthermore, subject to stockholder approval of Proposal 2, each non-employee director serving on the Audit, Compensation and Nominating Committees will be automatically granted an annual option to purchase 25,000 shares, 15,000 shares and 15,000 shares, respectively, on each anniversary of the director's initial grant for service on each such Committee, so long as the director continues to be a non-employee director and has continuously served on such Committee for the preceding twelve month period. Options granted under the Directors' Plan are granted at the fair market value of the Common Stock on the date of grant. Options granted to non-employee directors under the Directors' Plan currently have a ten-year term and vest over a period of five years, with ten percent of the shares vesting six months after the grant date and the remaining shares vesting ratably on a daily basis thereafter. Subject to stockholder approval of Proposal 2, options granted under the Directors' Plan will become exercisable on a daily ratable basis over one year period from the date of grant.

During the year ended December 31, 2001, pursuant to the terms of the Directors' Plan, each of Messrs. Morgan and Stettner, upon their appointment to the Board in June 2001, were each granted options to purchase 30,000 shares of Common Stock at an exercise price per share of $1.01. In addition for their services on the Audit and Nominating Committees of the Board, respectively, each of Messrs. Morgan and Stettner were granted options to purchase 10,000 shares of Common Stock under the Directors' Plan at an exercise price per share of $0.86. Pursuant to the terms of the Directors' Plan, Dr. Gaut, upon his appointment to the Board and Audit Committee in October 2001, was granted an option to purchase 30,000 shares of Common Stock for service on the Board and an option to purchase 10,000 shares of Common Stock for service on the Audit Committee, each at an exercise price per share of $0.91. Mr. Harris was granted an option to purchase 10,000 shares of Common Stock at an exercise price per share of $0.80 and Mr. Wilmot was granted an option to purchase 10,000 shares of Common Stock at an exercise price per share of $0.83 each pursuant to the terms of the Directors' Plan for services on committees of the Board. All option grants to these directors were made at the fair market value of the Common Stock on the respective dates of grant.

In January 2001, pursuant to the terms of the Company's 1997 Equity Incentive Plan (the "Incentive Plan"), each of Messrs. Harris and Wilmot were granted an option to purchase 20,000 shares of Common Stock. These options were granted at an exercise price of $1.219 per share, the fair market value of the Common Stock on the date of grant. In March 2001, pursuant to the terms of the Incentive Plan and for services on the Audit and Nominating Committees of the Board, Mr. Harris was granted two options, each to purchase 10,000 shares of Common Stock. In March 2001, pursuant to the terms of the Incentive Plan and for services on the Compensation Committee of the Board, Mr. Wilmot was granted an option to purchase 10,000 shares of Common Stock. These options granted to Messrs. Harris and Wilmot were granted at an exercise price of $1.313 per share, the fair market value on the date of grant. In July 2001, pursuant to the terms of the Incentive Plan and for services on the Compensation Committee of the Board, Mr. Wilmot was granted an option to purchase 10,000 shares of Common Stock at an exercise price of $0.80 per share, the fair market value on the date of grant. In addition, in July 2001, pursuant to the terms of the Incentive Plan and in order to align prior grants made to the non-employee directors of the Company with the amendments approved by the Board under the Directors' Plan for service on the Board and committees of the Board, Mr. Wilmot was granted three options to purchase 40,000, 15,000 and 15,000 shares of Common Stock, respectively; Mr. Harris was granted three options to purchase 40,000, 15,000 and 25,000 shares of Common Stock, respectively; Mr. Stettner was granted two options to purchase 40,000 and 15,000 shares of Common Stock, respectively; and Mr. Morgan was granted two options to purchase 40,000 and 25,000 shares of Common Stock, respectively. Each of these options were granted at an exercise price per share of $0.80, the fair market value on the date of grant.

COMPENSATION OF EXECUTIVE OFFICERS

The following table shows for the fiscal years ended December 31, 2001, 2000, and 1999, certain compensation awarded or paid to, or earned by, the Company's President and Chief Executive Officer, the Company's other four most highly compensated executive officers who earned more than $100,000 in salary and bonus at December 31, 2001, the Company's former President and Chief Executive Officer and one former executive officer who would have been among the most highly compensated executive officers earning more than $100,000 in salary and bonus at December 31, 2001 (collectively, the "Named Executive Officers"):

<table>
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<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Securities Underlying Options($)</th>
<th>All Other Compensation ($)(1)</th>
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<td>150,364</td>
<td>22,922</td>
<td>438,900</td>
<td>4,338</td>
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<tr>
<td>President and Chief</td>
<td>2000</td>
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<tr>
<td>Executive Officer</td>
<td>1999</td>
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</table>
EXHIBIT 15
### Form 5

**U.S. SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

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**Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>5. Amount of Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
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</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

(Print or Type Responses)

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OMB Number 3235-0362  
Expires: December 31, 2001  
Estimated average burden hours per response: 1.0
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$1.01 6/19/01 A 30,000 (1) 6/18/11</td>
<td>Common Stock</td>
<td>30,000</td>
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<td></td>
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<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$0.86 6/22/01 A 10,000 (1) 6/21/11</td>
<td>Common Stock</td>
<td>10,000</td>
<td>D</td>
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<tr>
<td>Employee Stock Option (Right to Buy)</td>
<td>$0.80 7/21/01 A 40,000 (2) 7/20/11</td>
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<td>D</td>
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</tbody>
</table>

Explanation of Responses:

(1) 10% of the total number of shares shall vest on the date six months after the vesting commencement date; the remainder of the shares shall vest daily thereafter, such that 100% of the shares are vested after five years.

(2) 100% of the total number of shares shall vest on the date one year after the vesting commencement date.

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.


Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.
<table>
<thead>
<tr>
<th>Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 3)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of Derivative Securities Beneficially Owned at End of Year (Instr 4)</th>
<th>10. Ownership of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
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</thead>
<tbody>
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<td>(1)</td>
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Date: 2/1/02

Jonathan Morgan