INTEROFFICE MEMO

July 12, 2000

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FROM: Howard I. Finberg

SUBJECT: 2nd Quarter Investment Summary

Attached is an updated Investment Summary and an updated Investment Matrix, which include current CNI Ventures' Internet and technology investments to date. New to this list are JobScience, Legacy.com and Everstream.

CNI Ventures' indirect investments, such as Sandler Capital funds, assets received as a result of Homefair sale, etc., are also included on the summary.

Attachments

CNI VENTURES

Investment Update Summary

13-Jul-00

Company	Sector	Investment Period Inception	Total Invested Capital	Shares	Current Valuation	Internal Rate of Return	Investment Period	Realization/ Valuation Methodology
EntryPoint	Communication technology	July-96	$200,000	13,571	$13,571	-93.21%	48	Private - Sale
WaveShift Series C	Internet tools / software	October-98	$500,000	166,666	$833,330	66.67%	21	Private - Most recent financing
WaveShift Series D	Internet tools / software	December-99	$100,000	40,000	$100,000	0.00%	7	Private - Cost
Event 411 [Common]	Internet commerce	October-99	$533,000	250,005	$622,512	16.79%	9	Private - Most recent financing
Event 411 [Series B]	Internet commerce	June-00	$500,000		$500,000	0.00%	1	Private - Cost
E-Ink	Communication technology	November-99	$1,500,000	125,000	$1,500,000	0.00%	8	Private - Cost
BrightStreet	Internet infrastrure / tools	December-99	$1,000,000	741,393	$1,000,000	0.00%	7	Private - Cost
Stream Search	Internet infrastrure / tools	February-00	$1,000,000	10,000	$1,000,000	0.00%	5	Private - Cost
GAMUT [SmartTV]	Communication technology	March-00	$999,998	173,010	$999,998	0.00%	4	Private - Cost
JobScience [Pref A]	Internet infrastrure / tools	April-00	$300,000	100,000	$300,000	0.00%	3	Private - Cost
Everstream [p]	Internet infrastrure / tools	June-00	$1,250,000		$1,250,000	0.00%	1	Private - Cost
Legacy.com	Internet commerce	June-00	$1,000,000		$1,000,000	0.00%	1	Private - Cost
Total Unrealized Investments			**8,882,998**		**9,119,411**			
Microsoft	Software, Technology			768	$61,678			
Homestore	Internet commerce			50000	$1,434,500			
Sandler 21st Century, IV	Funds	Various		Various	$12,997,863			
Sandler 21st V	Funds	May-00			$2,000,000			*Commitment to fund is $15 million*
Total Realized, Partially Realized & Publicly Traded Investments					**16,494,041**			
Total Investments					**$25,613,452**			

CNI Ventures Investment Matrix

Wednesday, July 12, 2000

Company	*Target market*	*Relationship to CNI's businesses*	*Relations with company*	*Other media company investors*	*Investment date*	*Investment amount*	*Current value or exit date, value*	*Gain or loss [Realized & Unrealized]*
EntryPoint	Push technology to desktop; delivery of information	Learn about push technology; leverage relationship re local push product as hedge	**Dormant**. PointCast assets were purchased by an IdeaLab company	Gannett, Knight Ridder, Times Mirror, Cowles / McClatchy	1996	$200,000	PointCast bought by Launchpad / EntryPoint, diluting investment. Current value is $13,000	($187,000)
WaveShift	Community building tools/ technology for online sites; recently purchased calendar tools /site	Leverage relationship to build out sites; learn community relationship issues	Very strong, active; CNI provides direction and strategic guidance; an easy partner to work with.	McClatchy	1998 / 1999	$600,000 committed; $500,000 "C" shares; funded [166,666 shares]; $100,000; 40,000 shares "D"	$833,330 1st investment $100,000 2nd investment	
Event411	Personal event planning technology	Early mover with technology at local level; leverage investment to keep local site deployment costs lower	Good; willingness to work; provide ability to CNI to shape affiliate agreement to meet needs of local markets	Sandler Capital Gannett [new round]	1999 / 2000	$533,000; 250,005 shares of "Common" $500,000 Series "B"	$622,512 1st investment $500,000 2nd investment	
E-Ink	Electronic ink technology	Development of an electronic newspaper and the business models to support product[s]	Very good; have started joint pilot program for single-copy display signs in 2nd quarter 2000	Hearst 1st round; McClatchy, European publishers 2nd round	1999 [11.17]; announced 1.2000	$1.5 million; 125,000 series "C" preferred	$1.5 million	

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BrightStreet	Secure coupon technology for Web sites	Early mover advantage to provide services to range of advertisers	Very good; access to CEO; AzCentral staff undergoing training	McClatchy, Cox, Sandler Capital	1999 [12.6]; announced 2.2000	$1 million; 741,393 shares of "A" preferred	$1 million	
StreamSearch	Comprehensive source for audio / video streaming and downloadable file. Company partners with content sites, broadband distributors. Provides unique client-branded media player, in-site advertising and commerce revenue opportunities.	Early to providing services for the broadband user, which are growing; will be important to understand both technical and organizational issues regarding this kind of content	Very early in relationship. CEO is responsive to questions, etc.	McClatchy; brought to CNI Ventures attention by Prudential;	2000 2.28] announced 3.6.2000	$1 million; 10,000 shares of "C" preferred	$1 million	
GAMUT [Smart TV]	Provides tools for consumers to capture offers via embedded TV signal or by bar code	Pilot program to be launched with 10,000 households in Phoenix	Excellent working relationship; Smart TV will work with Arizona Republic departments; ~~will also secure~~ services from PNI	WB network	2000 [3.10]	$1 million; 173,010 series "A" preferred	$1 million	

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JobScience	Segmented employment market.	Learning opportunity in market understanding, especially as it relates to recruitment and BrassRing investment.	Good but tentative as this is a new investment.	Tribune Ventures, Washington Post	2000 [4.10]	$300,000 in series "A" preferred	$300,000	
Everstream	Everstream delivers streaming audio news, information and entertainment in partnership with online publishers.	Gives Web sites the ability to create and sell audio programming	Excellent working relationship; 3 of CNI Web tuners are among top 10 in traffic; AzCentral is leader of 250+ affiliates	Expected: Knight Ridder, others	2000 [6.16]	$1.25 million in series A	$1 million	
Legacy.com	Internet media that provides permanent online memorials, nationwide access to obituaries and funeral service information and other resources	Developing; will work with newspapers to create models that work on local level. Potential for both print and online	Excellent working relationship	Tribune Ventures	2000 [6.17]	$1million in series "B" preferred	$1 million	