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**ROBIN MCCONNAGAL**  
PRESIDENT

## MEMORANDUM

**TO:** Yarbro Motors Board of Directors  
Orange, Inc. Board of Directors

**FROM:** Robin McConnagal

**DATE:** May 27, 2008

**RE:** Feasibility and Marketability of Disabling the Text Function of the Hoffseal in  
Conjunction with the MePhone

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### **TECHNOLOGICAL FEASIBILITY OF INSTALLING TEXT DISABLING FEATURE IN MEPHONE-COMPATIBLE NAVIGATION SYSTEM OF THE HOFFSEAL**

For the past eight months, engineers and designers from the text and messaging R&D team within the Orange Development Group and the Yarbro Motors Innovations Department have been developing and testing a new disabling program for use with the MePhone in conjunction with travel in the Hoffseal hybrid, flex-fuel SUV. I am pleased to announce that after these long months of hard work and much trial and error, we have developed what I believe to be a viable solution to the concern many of you have voiced, namely the problem of drivers utilizing the texting function of the Hoffseal's navigation system in conjunction with the MePhone while driving. While the texting function of the Hoffseal has been designed and marketed to be used only by a passenger while the vehicle is moving, we all know that unfortunately, that is not always the case. Our new computer program for the Hoffseal navigation system, which I describe below, will eradicate such unintended usage and make the roads safer for all who use them.

The computer program developed by our engineers and designers is brilliant in its simplicity. As currently designed, the MePhone has the ability to communicate wirelessly with all compatible electronic devices with azuretooth technology. Indeed, it is through the use of azuretooth technology that the MePhone and the navigation system of the Hoffseal work together to display the text of written messages received by the MePhone on the screen of the

navigation system. In essence, the Hoffseal and the MePhone can "see" each other. By utilizing this technology, the new text disabling program of the Hoffseal navigation system will search out MePhones in the vehicle and shut off the texting function of the navigation system when the only MePhone located belongs to the driver.

Upon opening the door and entering the Hoffseal, the text-disabling program that will be integrated into the existing programming of the MePhones and the Hoffseal will automatically search for MePhones within a 10 foot radius of the Hoffseal's navigation system. Once it locates any MePhones within the Hoffseal, the navigation system's programming will identify whether the MePhone belongs to the driver of the Hoffseal or a passenger in the vehicle. We have identified two ways to accomplish this. The unique identifier number of the driver's MePhone will have been previously recorded in the Hoffseal's computer at the time of the driver's purchase of the Hoffseal. If the Hoffseal does not locate any additional MePhones within that 10 foot radius, the navigation system's texting feature will not engage upon starting the vehicle. However, if the Hoffseal locates additional MePhones within the vehicle, the navigation system's texting feature will operate as usual, except that it will not display any texts received by the MePhone belonging to the driver while the key is in the "on" position in the vehicle's ignition. The driver's position will be detected by the strength and direction of the signal received by the navigation system.

The engineers have also suggested installing a "screen guard" to the left of the navigation system screen which would automatically slide out two inches from the dashboard of the vehicle and thereby prevent the driver from having a "sneak peak" at his or her passenger's text messages. I have suggested that this particular screen guard be an optional feature, as it poses the possibility of blocking other useful features of the navigation system, such as turn-by-turn directions and maps, which a driver may and should view while driving.

Our engineers and designers have tested and retested this program and are confident that it will not interfere with the current capabilities of the Hoffseal's navigation system or the vehicle's onboard computer that operates the vehicle's engine and other working vehicle parts. As noted above, this new disabling feature relies primarily on azuretooth wireless technology to recognize the number of MePhones, if any, within the Hoffseal and then initiate a separate disabling function within only the navigation system. The azuretooth signals will not interfere with the workings of the onboard computer that is linked to the vehicle's engine. While this new feature has on occasion disabled other components of the navigation system and radio, the engineers are currently "working out the kinks" and should be ready for limited testing with the public in the next month.

### **PROJECTED COST ESTIMATES OF TEXT DISABLING FEATURE**

Contrary to the prior estimates of the cost of a text disabling feature that were discussed during the initial launch of the Hoffseal, this text disabling feature should increase the cost of each vehicle by no more than \$47 per vehicle. The low cost of this feature is based upon the use of pre-existing technology within both the MePhone and the Hoffseal's navigation system and the better than expected past sales and projected strong future sales of the Hoffseal. The text disabling feature may also be added as an "optional" feature to be purchased at each individual purchaser's discretion.

## **MARKETABILITY OF TEXT DISABLING FEATURE**

I recognize that this text disabling feature will not appeal to all consumers. However, the benefits from the increased awareness of drivers of the Hoffseal and the public goodwill that will emanate from this type of innovative design will, I believe, push sales of the Hoffseal far beyond that of the Pra'ter in the long run. Parents considering vehicles for their teenage children will naturally favor any vehicle that can help keep the focus of teenagers on the road rather than their cellular telephones. This vehicle will also appeal to those drivers that transport large numbers of other passengers, as the passengers will not be prohibited from utilizing the texting feature of the navigation system while the car is in motion.

Overall, I believe that this ground-breaking and innovative product, the type for which both our companies are well known, is both necessary and desired by consumers, and I strongly urge that this new feature become standard on all Hoffseals in the future.

Looking forward to seeing all of you at the next board meeting.

Kindest Regards,

Robin McConnagal