1. Loyalty Fund

1.1. Basic Concept

This document describes an introductory pricing plan for the RoomYak / dataSentinel Turn-Key Distributed Storage solution. This offer is restricted to first-time purchasers only.

1.2. Supporting Documents

The following pertain to topics in this document:

1. Pixecur-10296-1-2 Rooms3D.pdf
2. EnterpriseBrochure-dataSentinel-006.pdf (Marketing)
3. RoomYak_Revenue_Models V 02.02.pdf

1.3. Terminology

The **RoomYak** client is a 3D data visualization browser that permits users to organize and store data by moving around the 3D space of interconnected Rooms which represent the directories of a virtual file system. See document Pixecur-10296-1-2 Rooms3D.pdf for more details.

The **dataSentinel** Turn-Key Distributed Storage system consists of many low-end server-class computers distributed across the premises of a customer which collaborate to randomly store encrypted fragments of user files in such a way that much greater levels of security are achieved than through conventional file server installations.

The **dataSentinel** system uses a technique called 'Managed Redundancy' to ensure that the file fragments of a user are never lost even if server computers break down. For this reason, users of the **dataSentinel** system enjoy 100% availability to their data and never have to perform backup or restore procedures.

The **dataSentinel** client is distributed either through a web download or on USB sticks which can be plugged into any computer connected to the Internet. The end-user enters a password and is then able to view their entire file system.

1.4. Earning by protecting your data

Maintaining an Esotera Data Storage account gives you the best possible security and greatest flexibility for access to your data. However, just by maintaining an active account, you will see other rewards.

One dollar of each monthly storage transaction is transferred to the Esotera Loyalty Fund on behalf of each customer. The Loyalty Fund is an independent interest-earning account. It is not used in any way to finance company functions. Only Esotera's customers may draw funds from it.

Each customer will maintain a balance within the Loyalty Fund which will grow by at least one dollar each month and also through interest earned on the balance.

The customer can:

- Use this money as a credit against storage costs
- Use this money to purchase goods through RoomYak
- Cash out the money in increments of $20
- Pool this money (across members in a company, etc.) to use for social events
- Leave the money in the Loyalty Fund and allow it to grow in value

1.4.1. First Mover Advantage

Esotera relies on a stable customer base to do business, so it rewards those that move quickly to join and demonstrate long-term loyalty. Here's how it works:

The next 5000 members to sign up for storage accounts will participate in the Loyalty Fund program as described above. Their Loyalty Fund account will grow by:

- $1.00 per month for each customer

The 5001st customer to sign up will see the same deal as above. However, Esotera will now divert an additional $0.50 from all subsequent subscribers' monthly storage transactions into the Loyalty Fund which will be applied to the accounts for the first 5000 customers. Everyone's subscription rate remains the same, but the $0.50 will be shared across the original 5000 customers' accounts. At first, this will be barely noticeable, but by the time the subscriber base reaches 50,000 members, each of the original 5000 members will be seeing an additional

50,000 x $0.50 / 5000 = $5.00 increase in their Loyalty Fund account each month.

- $1.00 per month for each customer
- $0.50 to be shared monthly across customers 1-5000 (up to $5.00/month)

The next threshold is 50,000. New subscribers get the usual $1.00 monthly addition to their Loyalty Fund accounts. Esotera will apply the next $0.50 from all subscribers above 50,000 to the subscribers below 50,000, giving the second wave of subscribers the same deal as the first. In addition, Esotera will divert a further $0.25 from these new subscribers to share across the original 5000. The Loyalty Fund contributions will be distributed as follows:

- $1.00 per month for each customer
- $0.50 to be shared monthly across customers 1-50,000 (up to $5.00/month)
- $0.25 to be shared monthly across customers 1-5000 (up to $25.00/month)

This sequence is extended after each 10x subscription threshold. Each time the percentage contribution drops by half for the original 5000 subscribers but the potential number of participants increases by a factor of ten. Clearly there is an advantage to getting in early. It is also in your interest to encourage others to begin using Esotera services as soon as possible.

Here is a breakdown of Loyalty Fund contributions by Esotera:

Phase 4 Members 500,001 to 5,000,000	**Phase 3** Members 50,001 to 500,000	**Phase 2** Members 5001 to 50,000	**Phase 1** Members 1 to 5000	**Contribution** (Per month)
			$1.00	$1.00
		$1.00	$0.50	$1.50
	$1.00	$0.50	$0.25	$1.75
$1.00	$0.50	$0.25	$0.125	$1.875

Here is a breakdown of how each Loyalty Fund account grows each month:

Phase 4 Members 500,001 to 5,000,000	**Phase 3** Members 50,001 to 500,000	**Phase 2** Members 5001 to 50,000	**Phase 1** Members 1 to 5000
			$1.00
		$1.00	$1.00 -- $6.00
	$1.00	$1.00 -- $6.00	$6.00 -- $31.00
$1.00	$1.00 -- $6.00	$6.00 -- $31.00	$31.00 -- $156.00

Again, it is important to note that all new subscribers get the same initial Loyalty Fund contribution each month. They also see the same progression as new subscribers join. It is also important to reinforce the fact that Esotera is donating up to $2.00 / subscriber / month into an arm's length fund from which it cannot draw funds. The Loyalty Fund is exclusively an instrument to encourage the persistence of a stable subscription base.