

## QUESTIONS AND ANSWERS

### **Operator**

(Operator Instructions).

### **Sandy Weil - PROGINET CORP - President, CEO**

Tell you what, I think we have some questions here in the room. While we're waiting for people to queue up out there, why don't we listen to some of the folks that are here in our Board room.

### **Mike Arnold - - Private Investor**

Sandy, Mike Arnold, Shareholder. I would like to ask a question about Partner. I think you've done really the hard job of getting the partners. I would like to know if you could -- could you just talk about how you're working with partners. I know we're not standing over them, knowing whether they are doing their job or not, how -- is there a way to monitor that to get results?

### **Sandy Weil - PROGINET CORP - President, CEO**

Yes, well, it's a great question. And first of all, the -- this was the first quarter that we have really begun to see some of the economic benefits of our partners, because we got business directed to us from three of our four partners. And the business that we got was all over the world. We had a deal in Dubai. We had a deal in Europe. We had a couple deals in the US, so we had good kind of geographic contribution of the business. So that was obviously good to see everybody beginning to contribute.

We have assigned an executive here at Proginet to work with each of the partners. So there's somebody here whose day job is to interface with these partners on both a sales and a business level and so these folks are talking to these partners on a daily, you know, weekly basis about pipeline, about deal flow, about leads that come in through our website, and/or through our different lead generation programs and then get distributed out to the different departments, partners depending on the particular geography or specialty as that matter, so that's going on. From our system engineering pool, we have system engineers that are assigned to work with each of these partners so that we give some consistency in terms of who covers them and they understand how that particular OEM implementation is done because we don't want to keep asking the same question, so we've got some consistency around that.

And then the linkages, Steve Flynn, our COO, has been a major part in the way that the development, tech support and special services group have engaged with our similar development, tech support, and professional services groups as well. So there's been some good consistency in terms of how that stuff works. We're still early days. I mean the Attach Mate guys only recently went GA with their OEM product, so we're still early days on that. The (inaudible) went GA with one phase of the product and they are going GA with another phase of the OEM product over the next month or so. Innovis is still working their phasing in terms of the OEM product. And of course our partners at Beta Systems are hard at work on a bunch of opportunities in their territories. So, it's a work in progress. It's not anything that you can't, say we're done, but I can tell you that, we're seeing progress on all fronts.

### **Allen Wolpert - PROGINET CORP - Chairman**

You mention the trips that you personally take to meet with them on a very periodic basis.

### **Sandy Weil - PROGINET CORP - President, CEO**

Yes, by the way that was, Allen Wolpert, my Chairman.

### **Allen Wolpert - PROGINET CORP - Chairman**

I'm just whispering in your ear.

### **Sandy Weil - PROGINET CORP - President, CEO**

No, personally, I've been on the road quite a bit, visiting with prospects all over the world and so as they call up and they ask for help, we get on the road and I've personally been to Europe I think three times in the last four months and similarly, we've made trips around North America to visit with different prospects. So besides my travel, my SVP of sales, Kevin Bohan's been on the road, actually he's going to be on the road tomorrow and Thursday. And also system engineers, both a number of them have been traveling are around to train people and do stuff. So, there's been a whole bunch of investments. We've had folks here to our offices for combined training. We've done trainer to trainer at their offices. So this has been a big investment on our side and on the OEM partner side and so I think we can't ask for more. I mean everybody seems to be pitching in and doing stuff. And I think the fact that three of our four have already delivered some results and done it internationally I think is--.

**Allen Wolpert** - *PROGINET CORP – Chairman*

And our partners will call in for help and people from Proginet will go on joint sales calls when we're requested to with any of our business partners so they are not out there alone. We are very much out there working with them, supporting them, any way we can and very much both training them and going on joint sales calls with them.

**Mike Arnold** - *Private Investor*

Do you think they are sufficiently motivated or self motivated to go out and sell the MFP product? I know Gartner was saying he thinks the market could grow by 25%, plus they have got hundreds of millions of dollars of software that's already in the marketplace that we could hopefully substitute ours for. Do you think they are sufficiently motivated?

**Sandy Weil** - *PROGINET CORP - President, CEO*

Well, I'll tell you--.

**Mike Arnold** - *Private Investor*

-- if sales, I would think they would be.

**Sandy Weil** - *PROGINET CORP - President, CEO*

If investment in time and people is any indication of their interest in this marketplace, every one of them, you know, has shown, you know, that to be the case. And I can sit here and list them off. Every one of them has a dedicated individual that works directly with us. Every one of them has got development folks that have worked on the products, whether it's Beta Systems in Europe or the guys at Attach Mate or Software AG and so the investment from our partners is probably the best indication that they're involved in.

**Allen Wolpert** - *PROGINET CORP – Chairman*

And some of our partners have created special incentives for their sales people to make first sales. So there are economic incentives for those sales people that were structured as part of the deal to make them want to pay attention to this new product that they have in their kit bag.

**Mike Arnold** - *Private Investor*

That's good. One more, can you talk about the second quarter? We've only just begun, so can you give us some indication on how the second quarter is going and how you expect it to go?

**Sandy Weil** - *PROGINET CORP - President, CEO*

Yes, Mike, I don't do guidance, but I can tell you that early in the quarter, I could talk to you about a couple of deals that we've already done, one deal is with a government agency. There was also another deal that we did with a large international telecommunications company replacing Sterling. So we've had a pretty good start to the Q2 and we look forward to continued success.

**Mike Arnold** - *Private Investor*

Thank you.

**Sandy Weil** - *PROGINET CORP - President, CEO*

Any more questions in the room?

**Operator**

I'm showing none on the audio, sir.