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Rightscorp is the White Knight for Copyright Holders

By Gerald Kieft

(RIGHTSCORP

Rightscorp, Inc. (OTCQB:RIHT) is a leading provider of monetization services for artists and holders of copyrighted Intellectual Property (IP). The Company's patent pending digital loss prevention technology focuses on the infringement of digital content such as music, movies, software, and games. Its proprietary solution helps ensure that owners and creators are rightfully paid for their IP. Rightscorp enforces existing laws to solve copyright infringements by collecting payments from illegal file sharing activities via notifications sent through Internet Service Providers (ISPs). The Company's technology identifies copyright infringers, who are offered a reasonable settlement option when compared to the legal liability defined in the Digital Millennium Copyrights Act (DMCA). Once the settlement amount is received, the Company splits the payment 50%/50% with the copyright owner, less certain costs. Most infringers receive and settle multiple The Company's infringement notices. current technology can send tens of millions of notices per month, but it can quickly scale this system to send hundreds of millions of notices per month.







Peer-to-Peer (P2P) file sharing networks to seek out and find illegally downloaded digital media. Virtually every form of media is available on the Internet for free via illegal piracy. Rightscorp tackles this problem head on.

In September 2013, Netnames, a market research and consultancy firm reported that P2P traffic that infringes on copyrights had become 24% of all Internet traffic (not including traffic that infringes on pornographic copyrights). In other words, 24% of all Internet traffic is the illegal downloading and distribution of mainstream, high-quality movies, music, games, and software. Based on this fact, Rightscorp is pursuing an estimated \$2.3 billion opportunity and has monetized major media titles through its relationships with industry leaders.

Rightscorp presently represents the holders of more than 1 million copyrights. Current customers include, but are not limited to Warner Bros., BMG Rights Management, Round Hill Music, Shapiro/Bernstein and Wolfgang's Vault. These firms represent some of the biggest names in entertainment.

On behalf of digital media copyright owners, and through major Internet Service Providers ("ISPs"), Rightscorp automatically sends out copyright infringement and demand notices to those who have illegally downloaded digital media. Infringers remit payment to Rightscorp for the copyright infringement and Rightscorp makes payment to the copyright owners. To date, it has closed infringements and received settlement payments from subscribers on more than 50 ISPs including four of the top 10 ISPs in the United States: Qwest/CenturyLink, Charter, Suddenlink and Mediacom.

Rightscorp technology system monitors the global Peer-to-Peer (P2P) file sharing networks and sends emails to ISPs using the notice format specified in the Digital Millennium Copyright Act with the date, time, song title and other specific technology identifiers to confirm the infringement by the ISPs customer.

Under Federal Copyright Law, once the ISP has actual knowledge of copyright infringements that take place using its network it has specific duties in relation to the enforcement of the rights of the owners of the material in question. Every ISP is required by law to enforce a policy that provides, in appropriate circumstances, for termination of Internet service to subscribers who become repeat infringers. Your ISPs terms of use (or similar user agreement) probably specifically state that it can terminate your service if you violate the copyrights of others.

One way that an ISP can satisfy its own legal obligations is to facilitate its subscribers' compliance with copyright law - including by terminating subscribers who repeatedly violate copyright laws. When the ISP notifies its subscriber of an infringement (by passing along Rightscorp's notice), the customer is advised that based on current laws, the user who receives a notice is liable for up to \$150,000 in damages. But if they click on the link supplied, the customer is able to remit payment of \$20 per infringement to Rightscorp who passes on a percentage to the copyright owner and the particular instance of copyright infringement can be settled between them and the copyright owner quickly and Many infringers who do not pay are affordably. disconnected by their ISPs.

Rightscorp developed a technology that it sells as a service to copyright owners to collect settlement payments from consumers who have illegally downloaded copyrighted content. It is selling its services into the untapped market for monetizing billions of copyright violations worldwide.

The technology system monitors the global Peer-to-Peer (P2P) file sharing networks and sends via email to ISPs notifications of copyright infringement by the ISPs' customers with date, time, copyright title and other specific technology identifiers. Each notice also includes a settlement offer. Rightscorp pays the copyright owner

a percentage of these settlements. By accepting the settlement offers, infringers avoid potential legal action by the copyright holders.

The service also provides ISPs a no-cost compliance solution to ISPs to reduce their third-party liability for repeat copyright infringements occurring on their network. Every U.S. ISP has a Rightscorp web page "dashboard" that they can log into and in real-time see each subscriber account that is infringing copyright by copyright. The dashboard also displays the history of the repeat infringers on their network and gives them immediate feedback on those that have settled their cases with the copyright holder.

Under the business model, the copyright owner signs a simple agreement authorizing Rightscorp to monitor the P2P networks and collect settlement payments on its behalf. The technology monitors the Internet all of the time looking for infringements. When it detects an infringement, it collects the following data:

- Date and Time of infringement;
- Filename;
- ISP Name;
- IP Address; and
- Additional information related to Rightscorp's trade secrets.

The infringement data is then sent to the ISP in an automated computer format. The ISP is expected to send the information to their subscriber. This notice is sent to the customer by its ISP, so it is clearly not "spam". The user who receives the notice reads that they could be liable for \$150,000 in damages, but if they click on the link supplied, they can enter a credit card and they can settle the matter between them and the copyright owner for \$20 per music infringement. Repeat infringers are put on a list sent weekly to ISPs demanding that their service be terminated pursuant to 17 USC 512 (i). Once the user makes the settlement payment, they are removed from the list. If subscribers have had their service terminated, and have since settled their open infringement case(s), their ISP is notified immediately so service can be restored.

Once the settlement amount is received, the payment is split 50%/50% with the copyright owner, less certain costs. Most infringers receive and settle multiple infringement notices. The Company's current technology can send tens of millions of notices per month but management believes the Company can quickly scale this system to send hundreds of millions of notices per month.

Intellectual Property

Rightscorp has five patents pending for its proprietary system of detecting and seeking settlement payments for repeat copyright infringers. The patent applications were filed between May 9, 2011 and August 24, 2012 and they are in process as detailed below. Patent applications 13/437,756 and 13/485,178 contain the methods for identifying repeat infringers which (if issued) would create a significant barrier-to-entry for anyone attempting to market a scalable copyright monetization system in the peer-to-peer space. Patent application 13/103,795 includes using peer-to-peer infringement data to sell legitimate product to infringers.

The revenue growth strategy for Rightscorp is very straight forward.

- 1. Obtaining the rights to go after infringement for more copyright and adding more copyrights to the system to increase the number of infringement notices that are sent;
- 2. Increasing the number of ISPs that acknowledge and forward infringement notices to their subscribers;
- Compelling ISPs to improve the "throughput" processes. This may involve ISPs calling subscribers. The goal is to get ISPs to deploy "redirect" screens similar to the screen a hotel guest sees when he first uses the Internet in a hotel room. A repeat infringer would be redirected to the Rightscorp payment page and would be unable to browse the Internet until they have settled;
- 4. Increasing the number of subscribers who have received notices and agree to settle. This could be accomplished through examples in the press of infringers who were sued by copyright owners, by improving the educational and motivational aspects of the notice, website and payment process and by having ISPs terminate repeat infringers until they settle;
- 5. Sending non-compliant ISPs weekly termination demands to terminate service to non-responding repeat infringers pursuant to 17 USC 512 (i); and
- 6. Giving copyright holders who wish to litigate the highest quality litigation support data that includes the history of the subscriber's ISP being sent notices while they continue to violate copyright law.

Rightscorps' competitive advantage revolves around the

following:

- 1. Being first to market in the U.S. and by aggressively closing contracts to represent copyrighted intellectual property;
- 2. Building on its relationships with the ISPs. This is achieved by attending and speaking at strategic trade shows to develop greater awareness of the ISPs liability and Rightscorp's no-cost solution to help them mitigate that liability. In addition, the Company will educate industry analysts who follow the ISPs that are public companies as to the significant liability that ISPs have;
- 3. Filing for five full and provisional patents; and
- 4. Developing a reputation of being a quality solution provider with copyright holders, developers of copyrighted intellectual property and ISPs.

Investment Opinion

While Rightscorp is still in the very early stages of commercialization, it has proven its highly scalable business model. Management has also proven it has the ability leverage their deep industry contacts and secure the right to represent over 1 million copyrights. Collectively this presents a unique way for aggressive investors to play a multi-billion dollar opportunity.

Gerald Kieft



Mr. Kieft began his career in the finance industry as an analyst for the Loan Source in 1991, providing debt-funding sources for small businesses through Small Business Association (SBA) loans. Subsequently, Mr. Kieft has worked as a buy-side analyst and portfolio manager for a hedge fund, a sell-side analyst for a boutique brokerage firm and as a consultant to high net worth individuals at a number of financial institutions including Prudential Securities, Legg Mason Wood Walker and Raymond James & Associates. Mr. Kieft is a graduate of Eastern Illinois University, where he earned a Bachelor of Science in Business degree, majoring in Finance, as well as a Bachelor of Arts degree, majoring in Economics.

Performance Update 3-13-2009 through 12-31-2013

As we close the record books for 2013, we are very pleased to report the following results.



Portfolio or Index	Value 3/13/2009	Projected Value 12/31/2009	Projected Value 12/31/2010	Projected Value 12/31/2011	Projected Value 12/31/2012	Value	Average Annualized Return
High Alpha Portfolio	\$100,000	\$202,259	\$459,914	\$1,045,788	\$2,377,996	\$5,407,278	127.39%
Dow Jones Industrial Average	\$100,000	\$115,295	\$137,262	\$163,415	\$194,551	\$231,620	19.05%
S&P 500	\$100,000	\$116,554	\$140,590	\$169,583	\$204,555	\$246,739	20.62%
NASDAQ	\$100,000	\$120,115	\$150,214	\$187,855	\$234,928	\$293,797	25.06%

Additional Portfolio Statistics:

High Alpha Portfolio 3/13/2009 to 12/31/2013	Open Positions	%	Closed Positions	%	Open & Closed Positions	%
Winning Trades Losing Trades Average Return Average Annualized Return	17/24 7/24 128.74% 37.80%	71% 29%	67/87 20/87 65.27% 152.10%	77% 23%	84/111 27/111 78.99% 127.99%	76% 24%

For a complete list of every trading alert from 3/13/2009 through 12/31/2013, as well as full access to all of our premium content, sign up for your risk free trial to WSR's High Alpha Stocks at: <u>https://www.wallstreetresources.net/HighAlpha_Signup.aspx</u>

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Black Ridge Oil & Gas controls over 12,000 net acres in the Bakken and Three Forks play in western North Dakota and eastern Montana. The 2013 US Geological Survey assessment estimated that there are 3.7 billion barrels of recoverable oil in the Bakken Formation and an additional 3.7 billion barrels of recoverable oil in the Three Forks Formation. At a total of 7.4 billion recoverable barrels, this represents a twofold increase from the 2008 assessment. Together with the continued advances in horizontal drilling technology, the Bakken oil play is proving to be both high-yield and sustainable. To obtain additional information go to: http://www.wallstreetresources.net/Ante5.asp

Ecosphere Technologies, Inc. OTCBB:ESPH

Ecosphere Technologies, Inc. is a diversified water engineering and services company primarily focused on the natural gas industry. The Company provides water-recycling services at the well site to provide clean water for energy companies to extract natural gas from unconventional shale plays. Ecosphere's mission is to identify, create and produce clean technologies that solve a significant industry challenge, improve the quality of life and the environment, and are economically viable. Ecosphere has an extensive portfolio of patented clean technologies that can be purchased and licensed for use in large-scale and sustainable applications across industries, nations and ecosystems.

To obtain additional information go to: <u>http://www.wallstreetresources.net/ecosphere.asp</u>

EnerJex Resources, Inc. OTCQB:ENRJ

EnerJex Resources, Inc. (Stock Symbol: ENRJ) is a domestic onshore oil company with producing assets located in Eastern Kansas and South Texas. The Company was transformed at the beginning of 2011 through a comprehensive transaction that included a complete reconstitution of its board of directors and management team, a recapitalization of its balance sheet, and the acquisition of assets in a new core operating area.



EnerJex is focused on the acquisition and development of shallow oil properties that have low production decline rates and offer abundant drilling opportunities with low risk profiles. As of December 31, 2012, the Company had 2.9 million barrels of proved oil reserves, and it has identified hundreds of low risk development drilling locations on its existing acreage.

To obtain additional information go to: <u>http://www.wallstreetresources.net/enerjex.asp</u>

FieldPoint

FieldPoint Petroleum Corp. AMEX:FPP

The Company acquires, operates, and develops oil and gas properties located in Texas and Wyoming. FieldPoint Petroleum looks to continue expanding in Texas and Wyoming, as well as in other Rocky Mountain and mid-continent states such as Montana, North Dakota and Oklahoma.

As of January 2013, the Company has varying ownership interest in approximately 300 wells located in Oklahoma, Louisiana, New Mexico, Texas and Wyoming. FPPC oil and gas production is sold on the spot market. The Company believes that, with operator's responsibility and authority, it is in a better position to control cost, safety, and work timelines, as well as other critical factors affecting the wells' economics.

To obtain additional information go to: <u>http://www.wallstreetresources.net/fieldpoint.asp</u>

Information Systems Associates, Inc. OTCBB:IOSA

ISA is a leading provider of data center optimization software, services and solutions based out of Palm City, FL. Its core technology OSPI (On Site Physical Inventory®) provides a toolset allowing customers to create a highly accurate data set of their current IT assets. This information can be utilized to enable businesses to make meaningful

decisions on Data Center Management that lead to optimization of resources, cost reductions and significant ROI. All organizations regardless of size need an accurate data set for their existing IT asset infrastructure. This in turn enables them to take advantage of the considerable cost reductions and efficiency gains that can be achieved by Data Center Optimization methodologies. Our team of dedicated professionals provides the technology and expertise that can help your organization to get this job done quickly, precisely and cost-effectively. Current "by hand" data collection practices are both slow and prone to large margins of error. We have developed a unique proprietary software application, OSPI (On Site Physical Inventory®), to eliminate these problems.

To obtain additional information go to: <u>http://www.wallstreetresources.net/informationsystems.asp</u>

Liberator Medical Holdings, Inc. OTCBB:LBMH

Liberator Medical Holdings, Inc.'s subsidiary, Liberator Medical Supply, Inc., established the Liberator brand as a leading national direct-to-consumer provider of quality medical supplies to Medicare-eligible seniors. An Exemplary Provider(TM) accredited by The Compliance Team, its unique combination of marketing, industry expertise and customer service has demonstrated success over a broad spectrum of

chronic conditions. Liberator is recognized for offering a simple, reliable way to purchase medical supplies needed on a regular, ongoing, repeat-order basis, with the convenience of direct billing to Medicare and private insurance. Approximately 85% of its revenue comes from supplying products to meet the rapidly growing requirements of general medical supplies, personal mobility aids, diabetes, urological, ostomy and mastectomy patients. Liberator communicates with patients and their doctors on a regular basis regarding prescriptions and supplies. Customers may purchase by phone, mail or internet, with repeat orders confirmed with the customer and shipped when needed.

To obtain additional information go to: <u>http://www.wallstreetresources.net/liberator.asp</u>





Panache Beverages, Inc. OTCQB:WDKA

Panache Beverage, Inc. is an alcoholic beverage company specializing in the development and global sales and marketing of spirits brands. The Panache portfolio contains three brands, Wodka Vodka, Alchemia Vodka and Alibi Bourbon.



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Panache holds a "build and exit" mentality - its expertise lies in the strategic

development and early growth of its brands establishing the Company's assets as viable acquisition candidates for the major global spirits companies including Diageo, Bacardi, Future Brands, Pernod Ricard and Moet Hennessey. The goal is to sell brands individually as they mature while continuing to pipeline new brands in to the Panache portfolio. To obtain additional information go to: <u>http://www.wallstreetresources.net/panache.asp</u>

Water Technologies Intl., Inc. OTC:WTII

Water Technologies International, Inc., (WTII) is in the business of designing, manufacturing and distributing Atmospheric Water Generators (AWGs) and related products through its subsidiaries Aqua Pure International, Inc. and GR8 Water, Inc. The Company has patent pending products in water generation, air filtration, water filtration and dehumidification. WTII sells and distributes home, office and commercial AWGs units that produce drinking water, ranging from seven gallons to several thousands of gallons per day by extracting water from the air.

To obtain additional information go to: http://www.wallstreetresources.net/Water_Tech.asp

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Emerging Growth Monthly

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