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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998

COMMISSION FILE NUMBER 0-22563

PC411, INC.

(EXACT NAME OF SMALL BUSINESS ISSUER AS SPECIFIED IN ITS CHARTER)

DELAWARE	95-4463937
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

100 SE 2ND STREET
MIAMI, FL 33131
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(305) 579-8000
(ISSUER'S TELEPHONE NUMBER, INCLUDING AREA CODE)

9800 S. LA CIENEGA, BLVD., INGLEWOOD, CA 90301-4440
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

CHECK WHETHER THE ISSUER (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE EXCHANGE ACT DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO
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AS OF NOVEMBER 13, 1998, THERE WERE OUTSTANDING 3,120,000 SHARES OF THE ISSUER'S COMMON STOCK, $.01 PAR VALUE.

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PC411, INC.
QUARTERLY REPORT ON FORM 10-QSB
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998

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PART I. FINANCIAL INFORMATION

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PC411, INC.
(A DEVELOPMENT STAGE ENTITY)

CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<TABLE>
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	September 30, 1998	December 31, 1997
<S>	<C>	<C>
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 2,337,558	$ 949,157
Investments	--	3,498,116
Restricted assets	100,000	100,000
Accounts receivable	2,842	8,963
Accrued interest receivable	7,402	70,233
Prepaid expenses and other current assets	26,954	103,232
Total current assets	2,474,756	4,729,701
Machines held for lease, net of depreciation	469,394	--
Property and equipment, net	206,435	128,959
</TABLE>

Intangible assets, net	410,238	--
Total assets	$ 3,560,823	$ 4,858,660

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current Liabilities:		
Accounts payable and accrued expenses	$ 188,888	$ 178,789
Deferred revenue	29,657	54,035
Total current liabilities	218,545	232,824
Commitments and contingencies		
STOCKHOLDERS' EQUITY:		
Preferred stock, Series A $.01 par value. Authorized 5,000,000 shares; no shares issued and outstanding	--	--
Common Stock, $.01 par value. Authorized 25,000,000 shares; 3,120,000 and 2,972,500 shares issued and outstanding, respectively	31,200	29,725
Additional paid-in capital	7,747,584	7,409,809
Deficit accumulated during the development stage	(4,436,506)	(2,813,698)
Total stockholders' equity	3,342,278	4,625,836
Total liabilities and stockholders' equity	$ 3,560,823	$ 4,858,660

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

PC411, INC.
(A DEVELOPMENT STAGE ENTITY)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended		Period From December 29, 1993 (Date of Inception) to September 30, 1998
	September 30, 1998	September 30, 1997	September 30, 1998	September 30, 1997	
<S>	<C>	<C>	<C>	<C>	<C>
Revenues	$ 24,466	$ 20,619	$ 71,977	$ 112,660	$ 285,979
Cost and expenses:					
Cost of revenues	115,182	25,309	298,622	96,833	618,380
Research and development	31,867	100,690	149,540	125,329	864,632
Sales and marketing	133,538	80,076	453,792	146,252	789,447
General and administrative	380,330	237,028	922,097	523,674	2,528,277
	660,917	443,103	1,824,051	892,088	4,800,736
Operating loss	(636,451)	(422,484)	(1,752,074)	(779,428)	(4,514,757)

Other income (expense):					
Interest and other income.....	36,946	72,935	129,266	108,408	349,512
Interest expense.....	--	--	--	(94,002)	(268,861)
	36,946	72,935	129,266	14,406	80,651
Loss before income taxes.....	(599,505)	(349,549)	(1,622,808)	(765,822)	(4,434,106)
Income taxes.....	--	--	--	800	2,400
Net loss.....	(599,505)	(349,549)	(1,622,808)	(765,822)	(4,436,506)
Dividends on preferred shares.....	--	--	--	(132,679)	
Net loss applicable to common stock..	$ (599,505)	$ (349,549)	$(1,622,808)	$ (898,501)	
Net loss per share (basic and diluted).....	$ (.19)	$ (.12)	$ (.53)	$ (.38)	
Shares used in computing net loss per share.....	3,120,000	2,972,500	3,050,215	2,390,217	

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

PC411, INC.
(A DEVELOPMENT STAGE ENTITY)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	Nine Months Ended		Period From December 29, 1993 (Date of Inception) to September 30, 1997
	September 30, 1998	September 30, 1997	
<S>	<C>	<C>	<C>
Cash flows used in operating activities:			
Net loss	$(1,622,808)	$ (765,822)	$(4,436,506)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	85,767	30,011	192,558
Interest component of stock options granted	--	70,000	70,000
Amortization of discount on loan payable	--	--	160,940
Changes in assets and liabilities:			
Accounts receivable	6,121	10,947	(2,842)
Purchase of machines held for lease	(470,638)	--	(470,638)

Prepaid expenses and other current assets	139,109	44,776	(34,356)
Accrued expenses	10,099	(59,174)	188,888
Deferred revenues	(24,378)	31,867	29,657
Net cash used in operating activities	(1,876,728)	(637,395)	(4,302,299)
Cash flows from (used in) investing activities:			
Increase in restricted assets	--	--	(100,000)
Purchase of investments	--	(4,847,779)	(6,116,584)
Sale of short-term investments	3,498,116	98,917	6,116,584
Acquisition of business	(104,250)	--	(104,250)
Acquisition of property and equipment	(118,737)	(30,072)	(354,487)
Net cash flows from (used in) investing activities	3,275,129	(4,778,934)	(558,737)
Cash flows (used in) from financing activities:			
Proceeds from loan payable	--	369,998	697,063
Repayment of loan to related party, net	--	(619,016)	(619,016)
Shareholder cash contribution	--	--	92,047
Issuance of common stock	--	5,885,000	6,037,500
Deferred finance charges	(10,000)	--	(10,000)
Issuance of preferred stock	--	--	1,001,000
Net cash flows (used in) provided from financing activities	(10,000)	5,635,982	7,198,594
Net increase in cash	1,388,401	219,653	2,337,558
Cash and cash equivalents at beginning of period	949,157	8,605	--
Cash and cash equivalents at end of period	$ 2,337,558	$ 228,258	$ 2,337,558
Detail of acquisition:			
Fair value of assets acquired	$ 339,750	$ --	$ 397,750
Liabilities assumed	71,500	--	71,500

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

PC411, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(1) BUSINESS AND ORGANIZATION

PC411, Inc. (the "Company") was incorporated in Delaware on December 29, 1993. Prior to May 8, 1998, the Company's principal business was an on-line service that transmits name, address, telephone number and other related information digitally to users of personal computers. On May 8, 1998, the Company acquired Controlled Distribution Systems, Inc. ("CDS", formerly known as Coinexx Corporation).

INITIAL PUBLIC OFFERING

On May 21, 1997, the Company completed an initial public offering ("IPO") of 1,322,500 units (including 172,500 units from the exercise of the Underwriter's over-allotment option), each unit consisting of one share of Common Stock and one Redeemable Class A Warrant to purchase a share of

Common Stock. The units were sold for $5.75 each and the Company received, after expenses of the IPO, approximately $5.9 million in net proceeds. In connection with the IPO, the Company effected a 172.7336-for-1 stock split of the Company's Common Stock. All shares and share amounts have been restated to reflect the stock split.

DAMI TRANSACTION

On November 5, 1998, PC411, Inc. (the "Company") contributed the non-cash assets and certain liabilities of its on-line electronic delivery information service (the "PC411 Service") to Digital Asset Management, Inc. ("DAMI"). DAMI is a newly formed corporation organized by Dean Eaker, the former President, Chief Executive Officer and a director of the Company, and Edward Fleiss, the former Vice President and Chief Technology Officer of the Company, to continue to operate and develop the PC411 Service. The Company received preferred stock representing an initial 42.5% interest in DAMI in exchange for the contribution of the PC411 Service. Acxiom Corporation ("Acxiom") purchased preferred stock representing a 42.5% interest in DAMI for $1,250,000 and will initially designate a majority of the Board of Directors of DAMI. DAMI's management, including Messrs. Eaker and Fleiss, will hold an initial 15% interest in DAMI with options to increase their ownership position to 50% upon satisfaction of operational and financial benchmarks over a three-year period. As a result, the Company will account for its interest in the PC411 Service by using the equity method of accounting after November 5, 1998. See Part II - Item 5 - "Other Information" for additional information concerning the DAMI transaction and certain pro forma information. The Company has agreed, under certain conditions, to fund up to $200,000 of an $800,000 working capital line to be provided to DAMI by Acxiom, the Company and Dean R. Eaker.

CDS ACQUISITION

On May 8, 1998, the Company acquired CDS, a development stage company engaged in the marketing and leasing of an inventory control system for tobacco products. Under the terms of the acquisition, the CDS stockholders received 147,500 shares of the Company's Common Stock at closing. In addition, the Company will issue an additional 147,500 shares to CDS stockholders on each of the first, second and third anniversaries of the closing provided that on each such delivery date CDS is actively engaged in the business it is now engaged. The schedule for the deferred deliveries of stock is subject to a delay of 12 months if the President of CDS (the "Executive") is not employed by CDS on any of the three anniversary dates and is subject to acceleration if the Company's Common Stock trades at $15 per share for 60 consecutive trading days. In connection with this acquisition, the Company entered into a three-year employment agreement, subject to certain termination provisions, with the Executive. The Executive was also granted options to purchase 110,000 shares of Common Stock of the Company at $1.50 per share. CDS did not have any significant tangible assets at the time of acquisition. The aggregate of the fair value of the shares issued and issuable to the CDS stockholders as consideration for the acquisition of $339,250 and legal and other costs incurred in the acquisition of $104,250 have been capitalized and will be amortized over an estimated useful life of five years.

(2) PRINCIPLES OF REPORTING

The consolidated financial statements of the Company as of September 30, 1998 presented herein include the accounts of PC411 and CDS and have been prepared by the Company without an audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position as of September 30, 1998 and the results of operations and cash flows for all periods presented have been made. Results for the interim periods are not necessarily indicative of the results for the entire year.

These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 1997 included in the Company's Form 10-KSB (Commission File No. 0001-22563).

Certain reclassifications have been made to prior year financial information to conform with current year presentation.

USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

STOCK OPTIONS

The Company applies APB Opinion No. 25 and related Interpretations in accounting for its stock options. In 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation", which, if fully adopted, changes the methods of recognition of cost on certain stock options. The Company has elected to apply the "disclosure only" provisions of SFAS No. 123. Such disclosures are not required in interim financial statements.

RESTRICTED ASSETS

Restricted assets consist of cash pledged as collateral for a letter of credit collateralizing a credit card facility $100,000.

NEW ACCOUNTING PRONOUNCEMENTS

For transactions entered into in fiscal years beginning after December 15, 1997, the Company adopted and is reporting in accordance with SOP 97-2, "Software Revenue Recognition". The adoption of SOP 97-2 did not have a material impact on the Company's financial statements. In March 1998, the AICPA issued SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 provides guidance that the carrying value of software developed or obtained for internal use is assessed based upon an analysis of estimated future cash flows on an undiscounted basis and before interest charges. SOP 98-1 is effective for transactions entered into in fiscal years beginning after December 15, 1998. The Company believes that adoption of SOP 98-1 will not have a material impact on the Company's financial statements.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", which establishes standards for the way that public business enterprises report information about operating segments. SFAS No. 131 is effective for financial statements for fiscal years beginning after December 15, 1997. The Company is currently reviewing its operating segment disclosures and will adopt SFAS No. 131 in the fourth quarter of 1998.

(3) RELATED PARTY TRANSACTIONS

Certain accounting and related finance functions are performed on behalf of the Company by employees of New Valley Corporation ("NVC"), the Company's principal stockholder. Expenses incurred relating to these functions are allocated to the Company and paid as incurred to NVC based on management's best estimate of the cost involved. The amounts allocated were immaterial for all periods presented herein.

(4) NET LOSS PER SHARE

Basic loss per share of common stock is computed by dividing net loss applicable to common shareholders by the weighted average shares of common stock outstanding during the period. Diluted per share results reflect the potential dilution from the exercise or conversion of securities into common stock.

Stock options, warrants and contingent shares (both vested and non-vested) totaling 3,767,933 and 3,368,954 shares at September 30, 1998 and 1997, respectively, were excluded from the calculation of diluted per share results presented because their effect was accretive. Accordingly, diluted net loss per common share is the same as basic net loss per common share.

(5) CONTINGENCIES

The Company is a defendant in a lawsuit asserted by a former employee seeking a severance payment of $150,000. The Company believes the claim is without merit; however, no assurance can be given that the Company will prevail in its defense of the claim.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Financial Condition and Results of Operations of the Company should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes thereto included in the Company's Form 10-KSB (Commission File No. 0001-22563) relating to the year ended December 31, 1997.

OVERVIEW

The Company presently has two lines of business: the delivery of an on-line electronic directory information service (the "PC411 Service") and the marketing of an inventory control system for tobacco products through its subsidiary, Controlled Distribution Systems, Inc. ("CDS").

PC411 SERVICE - The Company has conducted the PC411 Service since 1994. The PC411 Service licenses a database for Acxiom Corporation ("Acxiom") with more than 110 million U.S. and Canadian residence and business telephone numbers, addresses and ZIP codes. A customer can access the PC411 Service using a computer by either dialing directly into the Company's server, in which the database is housed, or indirectly via the Internet. Either method requires the use of the Company's copyrighted, Windows-based, software program, PC411 FOR WINDOWS 3.0, which was introduced in November 1997. Designed to operate in a Windows 95 environment, PC411 FOR WINDOWS 3.0 is Internet compatible and has been enhanced to provide a quicker, easier to use search tool. In addition, a limited version of the PC411 Service is available at no charge via the Internet at the address http://www.pc411.com.

On November 5, 1998, the Company contributed the non-cash assets and certain liabilities of its on-line electronic delivery information service (the "PC411 Service") to Digital Asset Management, Inc. ("DAMI"). The assets contributed include the tradename for "PC411 for Windows 3.0", distribution agreements with equipment manufacturers, subscriber contracts for the PC411 Service, the Company's internet site and domain name, all property, plant and equipment, including hardware and software, relating to the PC411 Service and all accounts receivable, inventories and prepaid expenses relating to the PC411 Service. The contributed assets do not include the Company's cash and marketable securities and other financial investments. The liabilities assumed by DAMI include the Company's obligations under the Acxiom data licensing agreement, up to $10,000 of liabilities under the OEM distribution agreements, obligations of the Company to provide the PC411 Service to subscribers and up to $10,000 of other pre-closing liabilities.

DAMI is a newly formed corporation organized by Dean Eaker, the former President, Chief Executive Officer and a director of the Company, and Edward Fleiss, the former Vice President and Chief Technology Officer of the Company, to continue to operate and develop the PC411 Service. The Company received preferred stock representing an initial 42.5% interest in DAMI in exchange for the contribution of the PC411 Service. Acxiom purchased preferred stock representing a 42.5% interest in DAMI for $1,250,000 and will initially designate a majority of the Board of Directors of DAMI. DAMI's management, including Messrs. Eaker and Fleiss, will hold an initial 15% interest in DAMI with options to increase their ownership position to 50% upon satisfaction of

operational and financial benchmarks over a three-year period. As a result, the Company will account for its interest in the PC411 Service by using the equity method of accounting after November 5, 1998. See Part II - Item 5 - "Other Information" for additional information concerning the DAMI transaction and certain pro forma information.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

CDS - In May, 1998, the Company acquired the stock of CDS, a development stage company engaged in the marketing and leasing of an inventory control system for tobacco products. Under the terms of the acquisition, the former CDS stockholders received 147,500 shares of the Company's Common Stock at closing. In addition, the Company will issue an additional 147,500 shares in the aggregate to the former CDS stockholders on each of the first, second and third anniversaries of the closing provided that on each such delivery date CDS was actively engaged in the business it is now engaged. The schedule for the deferred deliveries of stock is subject to a delay of 12 months if the current President of CDS (the "Executive") is not employed by CDS on any of the three anniversary dates and is subject to acceleration if the Company's Common Stock trades at $15 per share for 60 consecutive trading days. In connection with this acquisition, the Company entered into a three-year employment agreement, subject to certain termination provisions, with the Executive. The Executive was also granted options to purchase 110,000 shares of Common Stock of the Company at $1.50 per share. CDS did not have any significant tangible assets at the time of acquisition. The aggregate of the fair value of the shares issued and issuable to the CDS stockholders as consideration for the acquisition of $339,250 and legal and other costs incurred in the acquisition of $104,250 have been capitalized and will be amortized over an estimated useful life of five years.

CDS markets a dispensing machine for cigarettes, which is controlled by a remote-control device. The dispensing machine is designed to replace the current money-operated cigarette vending machine. The Company's product is differentiated from the current money-operated vending machine by a remote-control transmitter, which may only be activated by an authorized individual. Thus, the operation of the machine requires a face-to-face transaction between the operator (typically a cashier) and the customer wishing to purchase cigarettes. CDS' management believes that this method for dispensing cigarettes would be permitted under the final Food and Drug Administration regulations issued August 28, 1996 and various bills proposed before Congress this year which would restrict the sale and distribution of cigarettes. CDS believes that the principal market for its equipment consists of restaurants, bars and taverns. The Company intends to lease its equipment to these entities for a 36-month term and intends to derive additional revenues by selling advertising space on the machine's panels. CDS will depreciate the equipment over five years. As of November 13, 1998, CDS had entered into 17 leases for machines.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

The Company may also seek to acquire other businesses and/or properties, which may or may not be related to its existing businesses. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations and products or services of the acquired companies, the expenses incurred in connection with the acquisition and subsequent assimilation of operations and products or services, the diversion of management's attention from other business concerns and the potential loss of key employees of the acquired company. The Company may also face increased competition for acquisition opportunities which may inhibit its ability to consummate suitable acquisitions on terms favorable to the Company. There can be no assurance that the Company will successfully identify, complete or integrate any future acquisitions, or that acquisitions, if completed, will contribute favorably to the Company's operations and future financial condition.

The limited operating history of the Company makes the prediction of future results of operations difficult or impossible. The Company believes that period to period comparisons of its operating results for any period should not be relied upon as an indication of future performance. The continued development of the CDS businesses will require the Company to significantly increase its operating expenses in order to build its sales and marketing staff, increase product development spending, and invest in infrastructure. As a result, the Company expects to continue to incur significant losses for the foreseeable future.

The Company's operating results may fluctuate significantly in the future as a result of a variety of factors, many of which are outside the Company's control. In addition, the Company does not have historical financial data for any significant period of time on which to base planned operating expenses. The Company's expense levels are based in part on its expectations concerning future revenue and to a large extent are fixed. Quarterly revenue and operating results depend substantially upon signing up new customers and retaining such customers which are difficult to forecast accurately. The Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, and any significant shortfall in revenue in relation to the Company's expectations would have an immediate adverse effect on the Company's business, results of operations and financial condition. In addition, the Company currently expects CDS to increase significantly its operating expenses as it builds its sales and marketing staff, increases product development spending and invests in infrastructure. To the extent that such expenses precede or are not subsequently followed by increased revenue, the Company's business, results of operations and financial condition will be materially and adversely affected.

RECENT ACCOUNTING DEVELOPMENTS. For transactions entered into in fiscal years beginning after December 15, 1997, the Company adopted and is reporting in accordance with SOP 97-2, "Software Revenue Recognition". The adoption of SOP 97-2 did not have a material impact on the Company's financial statements. In March 1998, the AICPA issued SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 provides guidance that the carrying value of software developed or obtained for internal use is assessed based upon an analysis of estimated future cash flows on an undiscounted basis and before interest charges. SOP 98-1 is effective for transactions entered into in fiscal years beginning after December 15, 1998. The Company believes that adoption of SOP 98-1 will not have a material impact on the Company's financial statements.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", which establishes standards for the way that public business enterprises report information about operating segments. SFAS No. 131 is effective for financial statements for fiscal years beginning after December 15, 1997. The Company is currently reviewing its operating segment disclosures and will adopt SFAS No. 131 in the fourth quarter of 1998.

YEAR 2000 COSTS. The Company, its subsidiary and its affiliate have evaluated the implementation of the century date change on their internal computer systems and believes they are year 2000 compliant. CDS believes that its dispensing machine is Year 2000 compliant and the Company has been informed by DAMI that the PC411 Service is Year 2000 compliant. Furthermore, the Company uses personal computers less than three years old for all accounting functions. However, the failure of the Company's service providers to resolve their own processing issues in a timely manner could result in a material financial risk. As a result, the Company is presently confirming that its service providers are adequately addressing Year 2000 issues. However, there can be no complete assurance of success, or that interaction with service providers will not impair the Company, its subsidiary and its affiliate's services.

RESULTS OF OPERATIONS

For the three and nine months ended September 30, 1998, the results of operations of the Company's primary operating units, which include the PC411 Service and CDS were as follows. Effective November 5, 1998, the Company contributed the PC411 Service to DAMI in exchange for preferred stock in DAMI. See Part I - Item 2 - "Overview". The Company will account for its interest in the PC411 Service using the equity method of accounting subsequent to November 5, 1998.

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
PC411 SERVICE				
Sales	$ 24,466	$ 20,619	$ 70,608	$ 112,660
Cost of sales	86,360	25,309	269,800	96,833
Research and development	31,867	100,690	120,291	125,329
Sales and marketing	45,526	76,076	365,781	134,252
General and administrative	140,975	199,889	525,914	481,689
Total expenses	304,728	401,964	1,281,786	838,103
Operating loss	$ (280,262)	$ (381,345)	$(1,211,178)	$ (725,443)
CDS(1)				
Sales	$ 1,369	$ --	$ 1,369	$ --
Cost of sales	28,822	--	28,822	--
Research and development	--	--	--	--
Sales and marketing	88,012	--	88,012	--
General and administrative	221,061	--	307,034	--

Total expenses	337,895	--	423,868	--
Operating loss	$ (337,895)	$ --	$ (422,499)	$ --

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
CORPORATE AND OTHER				
Sales	$ --	$ --	$ --	$ --
Cost of sales	--	--	--	--
Research and development	--	--	29,249	--
Sales and marketing	--	4,000	--	12,000
General and administrative	18,294	37,139	89,148	41,985
Total expenses	18,294	41,139	118,397	53,985
Operating loss	$ (18,294)	$ (41,139)	$(118,397)	$ (53,985)

(1) CDS' results for the nine months ended September 30, 1998 are for the period from the date of acquisition (May 8, 1998) through September 30, 1998.

THE PC411 SERVICE

REVENUES. The Company's revenues from the PC411 Service have been derived from registration fees and usage charges for the modem dial-up PC411 service. Revenues are recognized over the period in which the related services are to be provided. Revenues for the PC411 Service for the three and nine months ended September 30, 1998 were $24,466 and $70,608, respectively, compared to $20,619 and $112,660 for the same periods in the prior year. The decrease in revenues for the nine-month period was due primarily to lower sales due to the cancellation of a bundling agreement with an OEM partner in the third quarter of 1997.

COST OF REVENUES. Cost of revenues for the PC411 Service consists primarily of the cost of data and the distribution fees payable to OEM partners in 1997 and 1998. Cost of revenues in 1998 also includes employee compensation and depreciation associated with the maintenance of the PC411 Service. The Company's contract with Acxiom for the listing data provides for payment based on a specified percentage of revenues that the Company generates from the distributing the data, with minimum annual payments. The Company has been only required to pay the minimum quarterly payments. Cost of revenues for the three months and nine months ended September 30, 1998 were $86,360 and $269,800, respectively, as compared to $25,309 and $96,833 for the same periods in the prior year. The increase is due primarily to the increased costs in the maintenance of the PC411 Service.

RESEARCH AND DEVELOPMENT. Research and development expenses consist primarily of employee compensation associated with the design, programming, and testing of the PC411 Service. Research and development expenses for the three months and nine months ended September 30, 1998 were $31,867 and $120,291, respectively, as compared to $100,690 and $125,329 for the same periods in the prior year. The

decrease in research and development for the three month period was primarily attributable the development of PC411 FOR WINDOWS VERSION 3.0 in the third quarter of 1997 and the curtailment of the re-engineering of PC411 FOR WINDOWS VERSION 3.0 in the third quarter of 1998.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

SALES AND MARKETING EXPENSES. Sales and marketing expenses consist primarily of direct mail, public relations, print advertising, and trade shows. Sales and marketing expenses for the PC411 Service for the three and nine months ended September 30, 1998 were $45,526 and $365,781, respectively, as compared to $76,076 and $134,252 for the same periods in the prior year. The Company initiated several sales and marketing programs in the third quarter of 1997 in an effort to expand distribution of PC411 FOR WINDOWS VERSION 3.0. The Company also incurred expenses in the initiation of a renewal program for current subscribers to the PC411 Service in the first and second quarters of 1998. The Company curtailed its sales and marketing expense related to the PC411 Service significantly in the third quarter of 1998, which resulted in significantly lower expenses from the comparable quarter in 1997.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses for the PC411 Service consisted primarily of expenses for administration, office operations, and general management activities, including legal, accounting, and other professional fees. General and administrative expenses for the PC411 Service were $140,975 and $525,914 for the three months and nine months ended September 30, 1998, respectively, as compared to $199,889 and $481,689 for the same periods in the prior year. The decrease for the three-month period is the result of the Company's initiative to reduce administrative expenses associated with the PC411 Service in the third quarter of 1998.

CDS

CDS' results for the nine months ended September 30, 1998 are for the period from the date of acquisition (May 8, 1998) through September 30, 1998.

REVENUES. CDS had leasing revenues of $1,369 for the three and nine months ended September 30, 1998. CDS did not realize any advertising revenues for the three and nine months ended September 30, 1998.

COST OF SALES. Cost of sales for CDS consists primarily of warehouse expenses and shipping of machines held for lease. CDS depreciates its machines held for lease over five years once the asset is placed in service.

SALES AND MARKETING EXPENSES. Sales and marketing expenses for CDS were $88,012 for the three and nine months ended September 30, 1998. The expenses consisted principally of personnel costs and expenses associated with trade shows.

GENERAL AND ADMINISTRATIVE EXPENSES. General and administrative expenses for CDS were $221,061 and $307,034 for the three and nine months ended September 30, 1998. The CDS expenses consisted principally of payroll, amortization of intangible assets, consulting and office expenses.

CORPORATE AND OTHER

Expenses associated with corporate activities were $18,294 and $118,397 for the three months and nine months ended September 30, 1998, respectively, as compared to $41,139 and $53,985 for the same periods in the prior year. The expenses were

primarily associated with costs necessary to maintain a public company and costs incurred in searching for potential merger and acquisition candidates.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

OTHER INCOME

OTHER INCOME (EXPENSE). Interest expense was $0 and $94,002 for the three months and nine months ended September 30, 1997, respectively. The interest expense was attributed entirely to the loan from New Valley Corporation ("NVC"), the principal shareholder of the Company. Included in interest expense was $35,000 and $70,000 for each respective period in imputed interest attributable to stock options granted to Direct Assist Holding Inc. ("DAH"), a wholly-owned subsidiary of NVC, on January 29, 1997. Interest and other income was $36,946 and $129,266 for the three months and nine months ended September 30, 1998, compared to $72,935 and $108,408 for the three and nine months ended September 30, 1998. The increase for the nine-month period is principally related to interest on the funds received on May 22, 1997 from the Company's initial public offering ("IPO").

LIQUIDITY AND CAPITAL RESOURCES

The Company has not been able to generate sufficient cash from operations and, as a consequence, financing has been required to fund ongoing operations. The Company has financed its operations to date primarily through the sale of its Preferred Stock to DAH, secured short-term borrowings from NVC and the proceeds of the IPO. Three of the Company's directors and its interim President and its Chief Financial Officer are or have been executive officers of NVC.

On May 21, 1997, the Company sold 1,322,500 units (including 172,500 units from the exercise of the underwriter's over-allotment option) in the IPO, each unit consisting of one share of Common Stock and one Redeemable Class A Common Stock Purchase Warrant to purchase one share of Common Stock. The units were sold for $5.75 each and the Company received, after expenses of the IPO, approximately $5.9 million in net proceeds. After the repayment of the indebtedness to NVC, cumulative Preferred Stock dividends in the amount of $171,953 and an $80,000 consulting fee to the underwriter of the IPO, approximately $5.4 million remained for the completion of the introduction of the PC411 Service over the Internet, to expand marketing, sales and advertising, to develop or acquire new services or databases, and for general corporate purposes. Cash used in operations for the nine months ended September 30, 1998 and 1997 was $1,876,728 and $637,395, respectively.

Cash provided from investing activities for the nine months ended September 30, 1998 was $3,275,129, compared with cash used in investing activities of $4,778,934 during the nine months ended September 30, 1997. The primary source of cash provided from investing activities in 1998 was the maturity of certain short-term investments and subsequent conversion to cash-investment accounts in 1998. Cash used in investing activities for the 1997 period resulted primarily from the investment of proceeds from the IPO into the aforementioned short-term investments. Capital expenditures for the nine months ended September 30, 1998 and 1997 were $118,737 and $30,072, respectively. The expenditures in 1998 were primarily for CDS' office furniture and computers. The expenditures for 1997 were primarily for computer equipment. The Company also incurred $104,250 of costs, principally legal and other fees, in connection with the CDS acquisition. The Company will amortize these costs over an estimated useful life of five years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Cash provided from financing activities for the nine months ended September 30, 1997 consisted of $5,635,982, which was primarily associated with the Company's IPO. On May 22, 1997, the Company issued to NVC warrants in satisfaction of $250,000 of indebtedness owed to NVC. The balance of the indebtedness to NVC, $447,064, including accrued interest, was paid from the net proceeds from the IPO. The Company also paid preferred stock dividends in arrears of $171,953 to NVC.

In connection with the DAMI transaction, the Company agreed, under certain circumstances, to fund up to $200,000 of an $800,000 line of credit to be provided to DAMI by various of its stockholders.

The Company expects that cash used in operating activities could increase in the future. The timing of the Company's future capital requirements, however, cannot be accurately predicted. The Company's capital requirements depend upon numerous factors, principally the acceptance and use of CDS's product and the Company's ability to generate revenue. If capital requirements vary materially from those currently planned, the Company may require additional financing, including, but not limited to the sale of equity or debt securities. The Company has no commitments for any additional financing, and there can be no assurance that any such commitments can be obtained. Any additional equity financing may be dilutive to the Company's existing stockholders, and debt financing, if available, may involve pledging some or all of the Company's assets and may contain restrictive covenants with respect to raising future capital and other financial and operational matters.

The Company believes that the net proceeds from the IPO will be sufficient to meet the Company's operations and capital requirements for the next 12 months, although there can be no assurance in this regard. Although there can be no assurance, management believes that the Company will be able to continue as a going concern for the next 12 months.

The Company or its affiliates, including NVC, may, from time to time, based upon present market conditions, purchase shares of the Company's Common Stock in the open market or in privately negotiated transactions.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company and its representatives may from time to time make oral or written "forward-looking statements" within the meaning of the Private Securities Reform Act of 1995 (the "Reform Act"), including any statements that may be contained in the foregoing "Management's Discussion and Analysis of Financial Condition and Results of Operations", in this report and in other filings with the Securities and Exchange Commission and in its reports to stockholders, which represent the Company's expectations or beliefs with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties and, in connection with the "safe-harbor" provisions of the Reform Act, the Company is hereby identifying important factors that could cause actual results to differ materially from those contained in any forward-looking statements made by or on behalf of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

The Company's plans and objectives are based, in part, on assumptions involving the market acceptance of its services, continued growth and expansion of the Internet, the Company's ability to market successfully the CDS product as a more convenient and reliable alternative to current comparable and widely used inventory control systems and that there will be no unanticipated material adverse change in the Company's business or regulatory developments. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive, regulatory and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company.

Results actually achieved may differ materially from expected results included in these statements as a result of these or other factors particularly in light of the Company's early stage operations. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. The Company does not undertake to update any forward-looking statement that may be made from time to time on behalf of the Company.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Reference is made to information entitled "Contingencies" in Note 5 to the Financial Statements of PC411, Inc. included elsewhere in this report on Form 10-QSB.

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On May 21, 1997, the Company completed an initial public offering ("IPO") of 1,322,500 units (including 172,500 units from the exercise of the underwriter's over-allotment option), each unit consisting of one share of Common Stock and one Warrant. The units were sold for $5.75 each and the Company received, after expenses of the IPO, approximately $5.9 million in net proceeds.

On August 14, 1997, the Company filed its initial report of sales of securities and use of proceeds therefrom on Form SR. Form SR has been discontinued and the Company will continue to report the following information in the Company's quarterly and annual filings until the proceeds have been fully used.

1. The offering commenced May 14, 1997 and all registered securities were sold.

2. The managing underwriter was Biltmore Securities, Inc.

3. Title of Securities:

   a. Units - Each Unit consists of one share of Common Stock and one Warrant.
   b. Common Stock - Common Stock included in Units, par value $.01.
   c. Warrants - Each Warrant is convertible into one share of Common Stock at an exercise price of $6.10.
   d. Common stock issuable upon conversion of the Warrants ("Other Common Stock").
   e. Underwriter's Options - The Underwriter's Options are convertible into Units at an exercise price of $9.49 per Unit.

4. The Amount and Aggregate Offering Price of Securities Registered and Sold to Date For the Account of the Issuer:

<TABLE>
<CAPTION>

TITLE OF SECURITY	AMOUNT REGISTERED	AGGREGATE PRICE OF OFFERING AMOUNT REGISTERED	AMOUNT SOLD
<S>	<C>	<C>	<C>
Units	1,322,500	$7,604,375	1,322,000

Common Stock	1,322,500	--	--
Warrants	1,322,500	--	--
Other Common Stock	1,322,500	$8,067,250	--
Underwriter's Options	73,600	$1,147,424	--

</TABLE>

5. Expenses Incurred in Connection with Issuance of Securities:

Underwriting discounts and commissions	$760,438
Expenses paid to underwriters	$228,131
Other expenses (estimated)	$730,880

(All expenses were direct or indirect to others)

6. Net offering proceeds after the total expenses above were $5,885,000.

7. Amount of net offering proceeds used for each of the purposes listed below:

Amounts paid to affiliates of the Company:	
Repayment of Indebtedness; preferred stock dividends	$ 619,016
Amounts paid to others:	
Temporary investments:	
Money-market cash accounts	$ 2,127,174
Commercial paper	$ 100,000
Purchase of machines held for lease	$ 470,638
Purchase of equipment	$ 153,600
Employee compensation - estimated	$ 983,494
Costs associated with acquisition of CDS	$ 104,250
Other working capital - estimated	$ 1,326,828

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION.

NASDAQ SMALLCAP MARKET LISTING

The Company's common stock, par value $.01 per share (the "Common Stock"), and Redeemable Class A Common Stock Purchase Warrants (the "Warrants") are traded in the over-the-counter market and are quoted through the National Association of Securities Dealers Automated Quotation System ("Nasdaq") on the SmallCap Market System under the symbols PCFR and PCFRW, respectively. The Company has recently been advised by Nasdaq that its securities will be delisted on December 16, 1998 unless prior to that date the Company's common stock achieves a market value of the public float greater than $1,000,000 for ten consecutive trading days.

DAMI TRANSACTION

On November 5, 1998, PC411, Inc. (the "Company") contributed the non-cash assets and certain liabilities of its on-line electronic delivery information service (the "PC411 Service") to Digital Asset Management, Inc. ("DAMI"). See Part I - Item 2 - "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview". DAMI is a newly formed corporation organized by Dean Eaker, the former President, Chief Executive Officer and a director of the Company, and Edward Fleiss, the former Vice President and Chief Technology Officer of the Company, to continue to

operate and develop the PC411 Service. The Company received preferred stock representing an initial 42.5% interest in DAMI in exchange for the contribution of the PC411 Service. Acxiom Corporation ("Acxiom") purchased preferred stock representing a 42.5% interest in DAMI for $1,250,000 and will initially designate a majority of the Board of Directors of DAMI. DAMI's management, including Messrs. Eaker and Fleiss, will hold an initial 15% interest in DAMI with options to increase their ownership position to 50% upon satisfaction of operational and financial benchmarks over a three-year period.

The Company has agreed, under certain conditions, to fund up to $200,000 of an $800,000 working capital line to be provided to DAMI by Acxiom, the Company and Dean R. Eaker.

Effective with the closing of the DAMI transaction, Dean R. Eaker and Edward A. Fleiss resigned their positions with the Company and entered into an agreement with Company terminating their employment agreements. The Board of Directors of the Company has elected Richard J. Lampen, a director of PC411, as interim President and Chief Executive Officer, and J. Bryant Kirkland III, Vice President and Chief Financial Officer of PC411, as a director. Messrs. Lampen and Kirkland also serve as executive officers of New Valley Corporation, the Company's principal stockholder. The Company's principal executive offices have been relocated to Miami, Florida. The Company will continue to be engaged in the marketing of an inventory control system for tobacco products through its wholly-owned subsidiary CDS, and in the delivery of the PC411 Service through its interest in DAMI.

The contribution of the PC411 Service to DAMI was effected pursuant to a Stock Purchase Agreement (the "Purchase Agreement"), dated as of October 31, 1998, by and among DAMI, Acxiom and the Company. The sale was negotiated on an arm's-length basis between the executive officers and directors of the Company, other than Messrs. Eaker and Fleiss, and Acxiom. Except as noted above, there is no material relationship between DAMI and the Company or any of its affiliates, any director or officer of the Company, or any affiliate or associate of any such director or officer.

The foregoing summary of the contribution of the PC411 Service to DAMI is qualified in its entirety by reference to the text of the Purchase Agreement and related agreements, which are attached hereto as exhibits and are incorporated herein by reference.

PRO FORMA FINANCIAL INFORMATION

On November 5, 1998, the Company consummated the contribution of the PC411 Service to DAMI. The Unaudited Pro Forma Consolidated Statements of Operations for the year ended December 31, 1997 and for the nine months ended September 30, 1998 present the results of operations of the Company assuming the contribution of the PC411 Service to DAMI had been consummated as of the beginning of the periods presented.

The Unaudited Pro Forma Consolidated Balance Sheet as of September 30, 1998 reflects the assets, liabilities and capitalization of the Company after giving effect to the elimination of the assets and liabilities relating to the PC411 Service and the acquisition of preferred stock in DAMI.

The pro forma information does not purport to be indicative of the

results of operations or the financial position which would have actually been obtained if the contribution of the PC411 Service to DAMI had been consummated as of the beginning of the periods presented or at September 30, 1998. In addition, the pro forma financial information does not purport to be indicative of results of operations or financial position which may be obtained in the future.

The pro forma financial information should be read in conjunction with the Company's historical Consolidated Financial Statements and Notes thereto contained herein and in the Company's 1997 Annual Report on Form 10-KSB and the Quarterly Reports on Form 10-QSB for the quarters ended March 31, 1998 and June 30, 1998.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)

<TABLE>
<CAPTION>

	September 30, 1998		
	Historical	Pro Forma Adjustments	Pro Forma
<S>	<C>	<C>	<C>
ASSETS:			
Current assets:			
Cash and cash equivalents	$2,337,558		$ 2,337,558
Investments	--		--
Restricted assets	100,000		100,000
Accounts receivable	2,842	$ (1,385) (1)	1,457
Accrued interest receivable	7,402		7,402
Prepaid expenses and other current assets	26,954	--	26,954
Total current assets	2,474,756	(1,385)	2,473,371
Machines held for lease, net of depreciation	469,394		469,394
Property and equipment, net	206,435	(100,980) (1)	105,455
Investment in DAMI	--	553,651	553,651
Intangible assets, net	410,238	--	410,238
Total assets	$3,560,823	$ 451,286 (2)	$ 4,012,109
LIABILITIES AND STOCKHOLDERS' EQUITY:			
Current liabilities:			
Accounts payable and accrued expenses	$ 188,888	$ (20,000) (1)	$ 168,888
Deferred revenue	29,657	(29,657) (1)	--
Total current liabilities	218,545	(49,657)	168,888

Commitments and contingencies			
STOCKHOLDERS' EQUITY:			
Preferred stock, Series A $.01 par value. Authorized 5,000,000 shares; no shares issued and outstanding	--		
Common Stock, $.01 par value. Authorized 25,000,000 shares; 3,120,000 shares issued and outstanding	31,200		31,200
Additional paid-in capital	7,747,584	500,943 (2)	8,248,527
Deficit accumulated during the development stage	(4,436,506)	--	(4,436,506)
Total stockholders' equity	3,342,278	500,943	3,843,221
Total liabilities and stockholders' equity	$3,560,823	$ 451,286	$ 4,012,109

</TABLE>

(1) To eliminate assets transferred to and liabilities assumed by DAMI.
(2) To record initial equity investment in PC411's 42.5% ownership interest of DAMI.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended December 31, 1997		
	Historical	Pro Forma Adjustments	Pro Forma
<S>	<C>	<C>	<C>
Revenues	$ 143,132	$ (143,132) (1)	$ --
Cost and expenses:			
Cost of revenues	119,759	(119,759) (1)	--
Research and development	168,959	(168,959) (1)	--
Sales and marketing	192,313	(180,313) (1)	12,000
General and administrative	943,883	(760,742) (1)	183,141
	1,424,914	(1,229,773) (1)	195,141
Operating loss	(1,281,782)	1,086,641	(195,141)
Other income (expense):			
Interest income	169,428	--	169,428
Interest expense	(94,002)	--	(94,002)
Equity loss in DAMI	--	(461,822) (2)	(461,822)
	75,426	(461,822)	(387,396)
Loss before income taxes	(1,206,356)	--	(582,537)

Income taxes.....	800	--	800
Net Loss.....	(1,207,156)	624,819	(583,337)
Dividends on preferred shares.....	(132,679)	--	(132,679)
Net loss applicable to common stock.....	$(1,339,835)	$ 624,819	$ (716,016)
Net loss per share (basic and diluted)....	$ (0.53)	$ 0.25	$ (0.28)
Shares used in computing net loss per share.....	2,542,524		2,542,524

</TABLE>

(1) To eliminate results from operations related to the PC411 Service.
(2) To record 42.5% interest in DAMI's operations.

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 1998		
	Historical	Pro Forma Adjustments	Pro Forma
<S>	<C>	<C>	<C>
Revenues	$ 71,977	$ (70,608) (1)	$ 1,369
Cost and expenses:			
Cost of revenues	298,662	(269,800) (1)	--
Research and development	149,540	(120,291) (1)	28,862
Sales and marketing	453,792	(365,781) (1)	88,011
General and administrative	922,097	(525,914) (1)	396,183
	1,824,051	(1,281,786)	542,305
Operating loss	(1,752,074)	(1,211,178)	(540,896)
Other income (expense):			
Interest and other income	129,266		129,266
Interest expense	--	--	--
Equity loss in DAMI	--	(514,751) (2)	(514,751)

	129,266	(514,751)	(388,485)
Loss before income taxes	(1,622,808)	696,427	(929,381)
Income taxes	--	--	--
Net loss applicable to common stock	$(1,622,808)	$ 696,427	$ (929,381)
Net loss per share (basic and diluted)	$ (.53)	$ .23	$ (.30)
Shares used in computing net loss per share	3,050,215		3,050,215

</TABLE>

(1) To eliminate results from operations related to the PC411 Service.
(2) To record 42.5% interest in DAMI's operations.

PC411, INC.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) EXHIBITS

2.1 Stock Purchase Agreement, dated as of October 31, 1998, by and between DAMI, Acxiom and the Company.

10.1 Voting Agreement, dated as of October 31, 1998, by and between DAMI, Acxiom, the Company and the other stockholders of DAMI.

10.2 Shareholders Agreement, dated as of October 31, 1998, by and between DAMI, Acxiom, the Company and the other stockholders of DAMI.

10.3 Bridge Loan and Security Agreement, dated as of October 31, 1998, by and among DAMI, Acxiom, the Company and Dean R. Eaker.

27.0 Financial Data Schedule (for SEC use only).

(b) REPORTS ON FORM 8-K

None

PC411, INC.
(A DEVELOPMENT STAGE COMPANY)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PC411, INC.
(Registrant)

Date: November 13, 1998 By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III
Vice President, Treasurer
and Chief Financial Officer
(Duly Authorized Officer and
Chief Accounting Officer)

EXHIBIT 2.1

STOCK PURCHASE AGREEMENT

AMONG

DIGITAL ASSET MANAGEMENT, INC.,
a Delaware corporation,

ACXIOM CORPORATION,
a Delaware corporation,

and

PC411, INC.,
a Delaware corporation

Dated as of October 31, 1998

INDEX TO STOCK PURCHASE AGREEMENT

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<S> <C> <C>

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement ("Agreement") is executed and delivered effective as of October 31, 1998 (the "Closing Date"), by and among DIGITAL ASSET MANAGEMENT, INC. (the "Company"), a Delaware corporation; ACXIOM CORPORATION ("Acxiom"), a Delaware corporation and PC411, INC. ("PC411"), a Delaware corporation. Each of Acxiom and PC411 is sometimes referred to herein as an Investor or, collectively as the Investors.

RECITALS:

WHEREAS, the Company has been formed for the purpose of effecting the transactions contemplated hereby; and

WHEREAS, on the terms and conditions set forth herein, Acxiom desires to purchase 1,250 shares of the Company's voting convertible preferred stock, par value $0.01 per share (the "Preferred Stock") for $1,250,000 in cash; and

WHEREAS, on the terms and conditions set forth herein, PC411 desires to acquire 1,250 shares of the Preferred Stock in exchange for the Acquired Assets (as defined below) subject to the Assumed Liabilities (as defined below).

NOW, THEREFORE, in exchange for the representations, warranties, promises, covenants and consideration contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. PURCHASE AND SALE OF SHARES.

(a) PURCHASE OF PREFERRED STOCK BY ACXIOM. Simultaneous with the execution and delivery of this Agreement, and upon the terms and subject to the conditions contained herein, the Company is selling, assigning, transferring and delivering to Acxiom and Acxiom is purchasing and accepting 1,250 shares of Preferred Stock for an aggregate purchase price of $1,250,000 (the "Acxiom Purchase Price"). The Company hereby acknowledges receipt of the Acxiom Purchase Price by wire transfer of immediately available funds to an account or accounts designated by the Company by written wire transfer instructions previously delivered to Acxiom.

(b) ACQUISITION OF PREFERRED STOCK BY PC411. Simultaneous with the execution and delivery of this Agreement, and upon the terms and conditions contained herein, the Company is issuing, selling, assigning, transferring and delivering to PC411 and PC411 is purchasing, acquiring and accepting 1,250 shares of Preferred Stock in exchange for all of PC411's right, title and interest in and to the Acquired Assets subject to the Assumed Liabilities.

2. ACQUIRED ASSETS; EXCLUDED ASSETS; ASSUMED LIABILITIES; AND EXCLUDED LIABILITIES.

(a) ACQUIRED ASSETS. The term "Acquired Assets" shall mean all of PC411's right, and title and interest in and to all of the non-cash assets relating to its on-line data distribution service business (the "Business") including, without limitation, the following but excluding the Excluded Assets (as defined in Section 2(b) below):

(i) PC411's corporate name, "PC411, Inc.", the company name and/or trade names "PC411", "PC411 for Windows 3.0", "PC411 for Windows CE" and all variations thereof, including the registered service mark for "PC411"; provided, however, that PC411 shall be entitled to continue to use the name "PC411, Inc." as its corporate name until the next annual meeting of PC411's stockholders (to be held as soon as reasonably practicable) at which time the name will be amended so as not to include the words "PC411";

(ii) all of PC411's rights under contracts relating to the Business (the "Contracts") as set forth on Schedule 2(a)(ii), including, without limitation, the Data License Agreement with Acxiom (the "Acxiom License") and all bundling and OEM arrangements (collectively, the "Bundling Agreements");

(iii) all of PC411's accounts receivable, inventories and prepaid expenses relating to the Business as more particularly set forth on Schedule 2(a)(iii) hereto:

(iv) all of PC411's property, plant and equipment relating to the Business, including machinery, leasehold improvements and office furniture, as more particularly set forth on Schedule 2(a)(iv) hereto;

(v) all of PC411's hardware and software relating to the Business;

(vi) all of PC411's subscriber contracts relating to the Business;

(vii) all of PC411's customer lists, licenses, permits, registrations, books and records relating to the Business, including business development plans, advertising materials, catalogues, correspondence, mailing lists, sales and promotional materials and other records used in or required to engage in the Business as previously conducted by PC411;

(viii) all rights to PC411's website and domain name as more particularly set forth on Schedule 2(a)(viii) hereto;

(ix) all copyrights, patents, trade secrets and know-how related to the Business and all rights to software and other intellectual property in development and related research as more particularly set forth on Schedule 2(a)(ix) hereto;

(x) all of PC411's rights in registered and common law trademarks, service marks and trade names used in connection with the Business as more particularly set forth on Schedule 2(a)(x) hereto;

(xi) all rights to service agreements and insurance policies relating to the Business as well as rights to proceeds thereunder; and

(xii) all goodwill of PC411 relating to the Business.

(b) EXCLUDED ASSETS. The Acquired Assets shall not include any of the following (the "Excluded Assets"):

(i) all of PC411's cash and cash equivalents;

(ii) all of PC411's marketable securities and other investments in financial assets and cash pledged as collateral for a letter of credit collateralizing a contract to purchase equipment and credit card facilities;

(iii) all of PC411's bank and brokerage accounts;

(iv) all of PC411's accrued interest receivable;

(v) all of PC411's pay and other advances or loans to the persons listed on Schedule 2(b)(v) hereto;

(vi) all of PC411's assets not used in connection with the Business, including, without limitation, assets used by PC411 or PC411's subsidiary, Controlled Distribution Systems, Inc., for the marketing of an inventory control system for tobacco products; and

(vii) all of PC411's right, title and interest in and to Suite 411 at the premises located at 9800 S. La Cienega Boulevard, Inglewood, California (the "Premises") pursuant to the lease agreement, dated July 25, 1995 between PC411, as tenant, and Trizec Properties, Inc., as Landlord (the "Lease").

(c) ASSUMED LIABILITIES. Upon the Closing, the Company shall assume and agree to timely and fully pay, perform and discharge the following obligations and liabilities of PC411 (the "Assumed Liabilities"):

(i) all liabilities, duties and obligations under the

Contracts (other than the Acxiom License but including the Bundling Agreements) arising on or after the Closing Date;

(ii) all liabilities, duties and obligations arising under and all accounts payable and accrued expenses relating to any amounts due under the Acxiom License;

(iii) all obligations of PC411 to provide the PC411 service to subscribers, including all services relating to deferred revenue and other obligations or liabilities related thereto arising on or after the Closing Date;

(iv) any other liabilities arising under the Bundling Agreements prior to the Closing Date to the extent such liabilities do not exceed $10,000 in the aggregate;

(v) all liabilities and obligations for rent and additional rent under the Lease allocable to the period beginning on the date hereof and ending on November 30, 1998; and

(vi) all other liabilities relating to the Business arising prior to the Closing Date (other than transfer and sales taxes arising in connection with the transfer of the Acquired Assets to the Company) to the extent such liabilities do not exceed $10,000 in the aggregate.

(d) EXCLUDED LIABILITIES. Notwithstanding anything contained herein to the contrary, the Company shall not assume the following liabilities or obligations of PC411 (the "Excluded Liabilities"):

(i) any liability or obligation of PC411, including legal, accounting or other fees or expenses, arising out of the transactions contemplated hereby;

(ii) any taxes arising out of the conduct of the Business prior to the Closing Date and any transfer and sales taxes arising in connection with the transfer of the Acquired Assets to the Company;

(iii) any liability relating to the action entitled DELGADO V. PC411, INC., ET AL.;

(iv) all wages, consulting fees or other employee benefits (other than vacation pay) payable to employees, officers, consultants or directors for the period prior to the Closing Date;

(v) any indebtedness of PC411 for borrowed money, including without limitation, any indebtedness arising under any note, debenture, bond, equipment trust agreement, letter of credit agreement, loan agreement, lease or other contract or commitment for the borrowing or lending of money relating to the Business or PC411 or arrangement for a line of credit, or any guarantees, in any manner, whether directly or indirectly, of any indebtedness, dividend or other obligation of any other person or entity;

(vi) any liability or similar claim for injury to person or property, regardless of when made or asserted, which is imposed or asserted to be imposed by operation of law, including

without limitation any claims seeking recovery for consequential damage, loss of revenue or income;

(vii) any liability or obligation under or in connection with any of the Excluded Assets;

(viii) any liabilities or obligations arising out of any breach by PC411 of any provision of any agreement, contract, commitment or lease, including but not limited to liabilities or obligations arising out of PC411's failure to perform any agreement, contract, commitment or lease in accordance with its terms prior to the Closing Date except to the extent such liability or obligation is an Assumed Liability;

(ix) all liabilities and obligations arising under the Lease other than all liabilities and obligations for rent and additional rent under the Lease allocable to the period beginning on the date hereof and ending on November 30, 1998; and

(x) any obligation or liability which is not expressly assumed by the Company pursuant to Section 2(c).

(e) PC411'S PAYMENT AND PERFORMANCE OF THE EXCLUDED LIABILITIES. PC411 agrees to pay and perform and discharge the Excluded Liabilities within 45 days of the due date of such liabilities except for those being contested in good faith. This provision shall survive closing of the transactions contemplated hereby.

(f) NAME CHANGE. Within 30 days of the Closing Date, PC411 shall file with the Securities and Exchange Commission preliminary proxy materials including a proposal to amend its Certificate of Incorporation to change its name.

(g) FURTHER ASSURANCES. PC411 shall from time to time after the Closing, at the Company's reasonable request, execute, acknowledge and deliver to the Company such other instruments of conveyance and transfer and take such other actions to execute and deliver such other documents, certifications and further assurances as the Company may reasonably require in order to vest more effectively in the Company, or to put the Company more fully in possession of, any of the Acquired Assets, or to better enable the Company to complete, perform or discharge any of the Assumed Liabilities. Each party hereto will cooperate with the other party hereto and take other actions that may be reasonably requested from time to time by the other party as reasonably necessary to carry out, evidence and confirm the intended purposes of this Agreement.

3. TAX MATTERS. Upon consummation of the transactions described herein, the Investors will control the Company within the meaning of section 351 of the Internal Revenue Code of 1986, as amended (the "Code"). It is the intent of the parties hereto that the transactions described herein constitute and qualify as a tax-free transaction pursuant to section 351 of the Code (a "Section 351 Transaction"). Each of the Company, Acxiom and PC411 covenant and agree that they will report

the transactions described herein for federal, state and local income tax purposes as a Section 351 Transaction and will timely and properly file all returns, forms, statements and agreements as may be required by the Internal Revenue Service and any appropriate state agencies on such basis and will cooperate with and provide information to the other parties in a timely manner so that the parties can satisfy their tax reporting obligations. PC411 shall pay all state and local sales and other transfer taxes, if any, due in connection with the transfer by PC411 of the Acquired Assets to the Company and the assumption by the Company of the Assumed Liabilities, whether imposed by law on PC411 or the Company, and PC411 shall indemnify and hold harmless the Company with respect to the payment of all such taxes and any other amounts due as a result of the failure by PC411 to file any reports which it is required to file

in connection therewith. The provisions of this Section 3 shall survive the closing of the transactions described herein.

4. RECEIVABLE PAYMENTS. The Company and PC411 each hereby agree that if either one of them shall have received a payment where all or a portion of such payment represents a receivable due to the other party then, and in such event, the party receiving such payment shall immediately forward to the other party that portion of such payment which represents the receivable of such other party.

5. ENDORSEMENT OF CHECKS. PC411 hereby agrees that any check received by the Company on or after the Closing Date as payment on account of any trade account receivable constituting a part of the Acquired Assets, which check is payable to PC411, may be endorsed by the Company for its own account, with all such payments being subject to the provisions of Section 4 hereof.

6. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to each Investor as follows:

(a) ORGANIZATION, GOOD STANDING, AND QUALIFICATION. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite corporate power and authority to own its property and carry on its business as presently conducted and as presently proposed to be conducted and has all requisite corporate power and authority to execute and deliver and perform all of its obligations under this Agreement and the Transaction Documents (as defined below) to which it is a party. A true, correct and complete copy of the Certificate of Incorporation (the "Certificate") and the Bylaws of the Company, each in effect as of the date hereof, have been delivered to each Investor or their respective counsel. Since it was formed on October 14, 1998, the Company has not engaged in any business other than in connection with its organization and the transactions contemplated by this Agreement and the Transaction Documents.

(b) AUTHORIZATION. The execution, delivery and performance by the Company of its obligations under this Agreement and the Transaction Documents to which it is a party has been duly authorized by all necessary action on the part of the Company and will not, either prior to or as a result of the consummation of the transactions contemplated by this Agreement or any of the Transaction Documents to which it is a party: (a) violate any law, any order of any court or

other agency of government, any provision of the Certificate or Bylaws of the Company, or any contract, indenture, agreement or other instrument to which the Company is a party, or by which the Company or any of its assets or properties are bound, or (b) be in conflict with, result in a breach of, or constitute (after the giving of notice of lapse of time or both) a default under, or result in the creation or imposition of any lien of any nature whatsoever upon any of the property or assets of any Company pursuant to any such contract, indenture, agreement or other instrument except for the liens of the Investors and Dean Eaker pursuant to the Loan Documents (as hereinafter defined). The Company is not required to obtain any government approval, consent or authorization from, or to file any declaration or statement with, any governmental instrumentality or agency in connection with or as a condition to the execution, delivery or performance of this Agreement or any of the Transaction Documents other than the filing of such forms, agreements, documents and instruments as may be required by applicable federal and state securities laws. A copy of the resolutions adopted by the members of the Board of Directors of the Company authorizing the transactions contemplated by this Agreement and the Transaction Documents is attached hereto as Exhibit A.

(c) NON-CONTRAVENTION. The Company is not in violation or breach of or in default with respect to, complying with any material provision of any contract, agreement, instrument, lease, license, arrangement or understanding to which the Company is a party, and each such contract, agreement, instrument, lease, license, arrangement and understanding is in full force and effect and is the legal, valid and binding obligation of the Company enforceable as to the Company in accordance with its terms (subject to applicable bankruptcy, insolvency and other laws affecting the enforceability of creditors' rights

generally and to general equitable principles).

(d) CAPITALIZATION. The Company has authorized the issuance of up to thirty thousand (30,000) shares of capital stock consisting of twenty thousand (20,000) shares of common stock, par value $0.01 per share (the "Common Stock"), of which 440 shares are issued and outstanding, and ten thousand (10,000) shares of the Preferred Stock having the rights, preferences, privileges and restrictions more specifically set forth in the Certificate. Prior to the consummation of the transactions described herein, no shares of Preferred Stock are issued and outstanding. Except as set forth on Schedule 6(d), the Company has not granted any options or warrants to acquire any shares of its capital stock and it has not issued any securities convertible into or exchangeable for shares of its capital stock or options or warrants to acquire shares of its capital stock.

(e) NO SUBSIDIARIES. The Company does not own any shares of capital stock or any option or warrants or any other securities which are convertible or exchangeable into capital stock or options or warrants of any other corporation and does not have any ownership interest or any other interest which may be convertible into an ownership interest in any other entity.

(f) DUE AUTHORIZATION OF SHARES. The shares of Preferred Stock to be issued hereunder and, when issued, the shares of Common Stock into which they are convertible, have been, or will be upon issuance, duly authorized and, when issued and paid for as herein provided, will be fully paid and nonassessable, free and clear of any restrictions on transfer other than any restriction

under the Securities Act of 1933, as amended (the "Securities Act"), state securities laws and the Shareholders Agreement signed by and among the parties hereto and the other stockholders of the Company of even date herewith (the "Shareholders Agreement").

(g) CONVERTIBLE SECURITIES, OPTIONS, WARRANTS, RESERVED SHARES. Except for: (i) the conversion privileges of the Preferred Stock; (ii) the Common Stock reserved for issuance upon conversion of the convertible debt to be issued pursuant to the Loan and Security Agreement, dated the date hereof, between the Company and Acxiom; (iii) the 3,090 shares of Common Stock reserved for issuance under the Company's 1998 Stock Option Plan (the "Plan") of which 2,585 shares may be issued upon the vesting of options being granted to certain stockholders of the Company; and (iv) options to purchase an aggregate of 220 shares of Common Stock pursuant to the Employment Agreements attached hereto as Exhibits D-1 through D-5, there is no outstanding option, warrant, right or agreement for the purchase or acquisition from the Company of any shares of its capital stock or any securities convertible into any shares of the Company's capital stock.

(h) LITIGATION. Except as set forth on Schedule 6(h), there is no material claim, action, suit, litigation, arbitration, audit, investigation or other proceeding pending or, to the knowledge of the directors and/or officers or employees of the Company, threatened against the Company.

(i) GOVERNMENTAL LICENSES AND PERMITS. Schedule 6(i) sets forth a list of all material governmental licenses and permits maintained by the Company in connection with the conduct of its business (the "Licenses and Permits"). All such Licenses and Permits are in full force and effect, and no proceeding is pending or threatened with respect to the revocation or limitation of such Licenses and Permits.

(j) FULL DISCLOSURE. No representation or warranty by the Company in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any statement herein not materially misleading as of the date hereof.

(k) FINDER. There is no firm, corporation, agency or other entity or person that is entitled to a finder's fee or any type of brokerage commission in relation to or in connection with the transactions contemplated by this Agreement as a result of any agreement or understanding with Company or any of its directors, officers or employees.

(l) EMPLOYEE BENEFIT PLANS.

(i) Schedule 6(l)(i) sets forth a list of each pension, profit-sharing, deferred compensation, severance pay, stock option, or other form of retirement or compensation plan, and each health care, vacation, disability and sick pay plan maintained by the Company for the benefit of its employees or directors (collectively, the "Benefit Plans"). The Company has made available to each Investor true and complete copies of each of the Benefit Plan and all amendments thereto,

and all trust agreements, insurance contracts, and other material documents in effect with respect to the Benefit Plans.

(ii) Each of the Benefit Plans has been operated in all material respects in accordance with its terms and in accordance with applicable laws and governmental regulations relating thereto, including, but not limited to, where applicable, the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986, as amended.

(iii) Neither the Company, nor any of the Plans or any trusts created thereunder, nor any trustee or administrator thereof, has engaged in a "prohibited transaction" under applicable provisions of ERISA or the Code which would cause the Company or the Benefit Plans (or related trust) to become subject to any material penalty under such applicable ERISA or Code provisions.

(m) INSURANCE. Schedule 6(m)-I contains a list of all general liability, product liability, fire and casualty, motor vehicle and other commercial insurance maintained by the Company. Except as set forth on Schedule 6(m)-II, (i) all such insurance policies are in full force and effect and there are no past due premiums that remain unpaid with respect thereto; (ii) the Company is in compliance in all material respects with the terms and provisions thereof; (iii) copies of such insurance policies have been made available by the Company to each Investor or their respective counsel; and (iv) the Company has not received a notice of cancellation or nonrenewal with respect to any such insurance policies maintained by the Company.

(n) POWERS OF ATTORNEY. The Company does not presently have outstanding any powers of attorney authorizing any third party to act by or on behalf of the Company.

(o) GUARANTIES. The Company has not guaranteed or otherwise become obligated with respect to the indebtedness or obligations of any third party except as set forth on Schedule 6(o) and except for the assumption of the Assumed Liabilities.

(p) OFFICERS AND DIRECTORS; BANK ACCOUNTS. Schedule 6(p) sets forth a list of (i) the names and addresses of all directors of the Company immediately prior to the Closing Date; (ii) the name and addresses of all of the officers of the Company and their titles; (iii) all safes, vaults and safety deposit boxes maintained by or on behalf of the Company, and the names of all persons authorized to have access thereto; and (iv) all bank and brokerage accounts of the Company and the names of all persons who are authorized signatories with respect to such accounts.

(q) SECURITIES LAW EXEMPTION. Assuming the accuracy of each Investor's representations and warranties set forth herein, the issuance of the shares of Preferred Stock pursuant to this Agreement and the issuance of the shares of the Company's Common Stock to the other stockholders of the Company, has been made in compliance with the Securities Act and all applicable state securities laws and the respective rules and regulations thereunder.

(r) COMPLIANCE WITH LAWS. The Company is in compliance in all material respects with laws and regulations applicable to its trade or business as presently conducted or as proposed to be conducted except that the Company has not qualified to do business as a foreign corporation in any jurisdiction.

7. REPRESENTATIONS AND WARRANTIES OF THE INVESTORS. Each Investor, for itself and not with respect to the other Investor, hereby represents and warrants to the Company as follows:

(a) ORGANIZATION, GOOD STANDING AND QUALIFICATION. The Investor is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and it has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Transaction Documents to which it is a party.

(b) AUTHORIZATION. The execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party has been duly authorized by all necessary corporate action.

(c) NO CONFLICTS. Neither the execution, delivery or performance of its obligations under this Agreement or the Transaction Documents to which it is a party will result in a breach or default under (or with notice or lapse of time or both would constitute a breach or default under) its Certificate of Incorporation, Bylaws or any contract, instrument or other agreement to which it is a party or is otherwise bound.

(d) BINDING EFFECT. This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally and the discretion of the courts with respect to equitable remedies.

(e) INVESTMENT INTENT. The Investor is acquiring the shares of Preferred Stock to be issued pursuant hereto for investment for its own account and not with a view to, or for resale in connection with, any distribution thereof. The Investor understands that the shares of Preferred Stock to be issued pursuant hereto and the shares of Common Stock issuable upon conversion of the Preferred Stock have not been registered for sale under any federal or state securities laws and that such shares are being offered and sold to the Investor pursuant to the exemption from registration provided for under Section 4(2) of the Securities Act and that the representations and warranties set forth in this Section 7(e) are given with the intention that the Company rely on them for purposes of claiming such exemption; and that the Investor understands that the Investor must bear the economic risk of the Investor's investment in such shares for an indefinite period of time as such shares cannot be sold unless subsequently registered under such laws or unless an exemption from such registration is available and that the Investor has not been granted any registration rights. The Investor agrees that the shares of Preferred Stock to be issued pursuant

hereto and the shares of Common Stock issuable upon conversion of the Preferred Stock will not be sold or otherwise transferred for value unless (A) a registration statement with respect thereto has become effective under the Securities Act, or (B) there is presented to the Company an opinion of counsel satisfactory to the Company that such transfer is exempt from the registration requirements under the Securities Act, and the Investor consents that any transfer agent may be instructed not to transfer any such shares unless it receives satisfactory evidence of compliance with the foregoing provisions, and that there may be endorsed upon any certificate or instrument representing such shares an appropriate legend calling attention to the foregoing restrictions on transferability of such shares.

(f) ACCESS TO DATA. The Investor has been informed that the Company has not engaged in any business other than in connection with its organization and the transactions contemplated by this Agreement and by the Transaction Documents. The Investor is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the shares of Preferred Stock hereunder and the shares of Common Stock issuable upon conversion of the Preferred Stock. The Investor has discussed the Company and its plans, operations and financial condition with the Company's officers, has received all such information as it deems necessary and appropriate to enable it to evaluate the financial risk inherent in making an investment in the shares of Preferred Stock and the shares of Common Stock issuable upon conversion of the Preferred Stock and has received satisfactory and complete information concerning the business and financial condition of the Company in response to all inquiries in respect thereof. The Investor acknowledges that no representations are being made by the Company except those expressly set forth herein and that the Investor has received copies of and, with the advice and assistance of its legal counsel, participated in the negotiation of this Agreement and the other agreements contemplated by this Agreement.

(g) FINDER. There is no firm, corporation, agency or other entity or person that is entitled to a finder's fee or any type of brokerage commission in relation to or in connection with the transactions contemplated by this Agreement as a result of any agreement or understanding with Investor or any of its directors, officers, employees or shareholders.

(h) FULL DISCLOSURE. No representation or warranty by such Investor in this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to make any statement herein not materially misleading.

7A. REPRESENTATIONS AND WARRANTIES OF PC411. PC411 hereby represents and warrants to the Company as follows:

(a) ASSETS AND PROPERTIES. PC411 has valid title to all personal property included in the Acquired Assets, free and clear of all liens, pledges, mortgages, security interests, conditional sales contracts and other encumbrances of any kind or nature, except for the Assumed Liabilities.

(b) CONDITION OF ASSETS AND PROPERTIES. All equipment and other tangible personal property included in the Acquired Assets (the "Tangible Personal Property") are being sold and transferred to Buyer "AS IS"; provided, however, that notwithstanding the foregoing, PC411 will transfer to the Company any and all manufacturers' warranties applicable to the Tangible Personal Property to the extent permitted by the terms of such warranty.

(c) LEGAL PROCEEDINGS, ETC. Except for the matter referred to in Section 2(d)(iii), there are no claims, actions, suits, proceedings, arbitrations or investigations, either administrative or judicial, pending or, to the best of PC411's actual knowledge, threatened by, or against, PC411 or any of the Purchased Assets, or specifically relating to the transactions contemplated by this Agreement, at law or in equity or otherwise, before or by any court or governmental agency or body, domestic or foreign, or before an arbitrator of any kind. PC411 has not paid or reserved an amount in excess of $2,500 with respect to any product liability claim for personal injury made or threatened against PC411.

8. COVENANTS OF THE COMPANY.

(a) Within 20 business days following the Closing Date, the Company shall take such action, including the filing of all necessary applications and the payment of all required fees, so that it shall be duly qualified as a foreign corporation and is in good standing in those states in which it is conducting business or its assets or employees are located, except where the

failure to be so qualified would not have a material adverse effect on the Company.

(b) As soon as reasonably practicable after the Closing Date, the Company shall obtain (i) key man life insurance, with proceeds made payable to the Company, on Dean Eaker, in an amount not less than five hundred thousand dollars ($500,000), and on each of Ed Fleiss, Bruce Biegel, Joshua Blumenthal and Keith Goodman, in the amount of two hundred fifty thousand dollars ($250,000), and (ii) directors and officers liability insurance and general liability insurance in such amounts as shall be approved by the Company's Board of Directors.

(c) The Company shall vacate the Premises on or before November 30, 1998. The condition of the Premises at the time they are vacated by the Company shall be the same as on the date hereof, normal wear and tear excepted.

9. PRESS RELEASES. The parties hereto agree that no public release or announcement concerning the transactions contemplated hereby shall be issued by any party without the prior written consent of each Investor and the Company, except for releases and announcements required to be made by applicable law, in which case the party required to make the release or announcement shall allow the other parties reasonable time to comment on such release or announcement in advance of its issuance.

10. CLOSING.

(a) DELIVERIES BY THE COMPANY. Simultaneous with the execution and delivery of this Agreement, the Company is delivering the following to each Investor:

(i) Stock certificates issued to the respective Investor, evidencing the shares of Preferred Stock to be issued by the Company hereunder;

(ii) Certificates of good standing with respect to the Company from the Secretary of State of Delaware dated within ten (10) days of the Closing Date; and

(iii) Copies of resolutions evidencing appointment of the following persons as the officers and directors of the Company: Dean Eaker, President and Director; J. Bryant Kirkland III, Director; Mark Theilken, Director; Art Kellam, Director; and Adam Gadberry, Director.

(b) DELIVERIES BY THE INVESTORS. Simultaneous with the execution and delivery of this Agreement

(i) Acxiom is delivering the Acxiom Purchase Price to the Company in cash by wire transfer or otherwise as provided herein; and

(ii) Acxiom and PC411 shall execute and deliver an agreement, in the form attached hereto as Exhibit B, terminating the Acxiom License and releasing PC411 from all of its liabilities and obligations thereunder.

(c) OTHER DELIVERIES. Simultaneous with the execution and delivery of this Agreement, the Company and the Investors, as the case may be, are executing and delivering the following documents (the "Transaction Documents"):

(i) The Shareholders Agreement in the form attached hereto as Exhibit C;

(ii) The Employment Agreements in the forms attached hereto as Exhibit D-1 through D-5;

(iii) The Voting Agreement in the form attached hereto as Exhibit E;

(iv) The Bridge Loan and Security Agreement in the form attached hereto as Exhibit F;

(v) The Loan and Security Agreement in the form attached hereto as Exhibit G;

(vi) The Multiple Advance Notes in the forms attached hereto as Exhibit H-1 through H-4;

(vii) The Convertible Multiple Advance Note in the form attached hereto as Exhibit I;

(viii) The Termination, Indemnification and Release Agreements in the forms attached hereto as Exhibits J-1 and J-2;

(ix) The Bill of Sale and an Assignment of Rights and Assumption of Liabilities and Obligations in the forms attached hereto as Exhibits K and L, respectively;

(x) The Assignment in the form attached hereto as Exhibit M;

(xi) The Acxiom Services Agreement in the form attached hereto as Exhibit N; and

(xii) Such other agreements, documents and instruments required by this Agreement or any of the agreements referred to in this Section 10(c) or as may reasonably be required by an Investor or by the Company.

(d) LOAN DOCUMENTS. The documents referred to in Section 10(c)(iv) through (vii) are referred to herein as the "Loan Documents".

11. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY.

(i) Subject to the limitations set forth herein, the Company hereby covenants and agrees to indemnify and hold harmless each Investor from and against any loss, liability, claim, cost, damage or expense (including reasonable legal fees and expenses) (collectively, a "Loss") incurred by or asserted against such Investor as a result of any breach by the Company of any representation, warranty, covenant or other agreement of the Company contained herein or in any of the Transaction Documents to which it is a party.

(ii) The Company hereby covenants and agrees to indemnify and hold harmless PC411 from any Loss arising in connection with the Assumed Liabilities.

(b) INDEMNIFICATION BY THE INVESTORS.

(i) Each Investor hereby covenants and agrees to indemnify and hold harmless the Company and the other Investor from and against any Loss resulting from any breach by such Investor of any representation, warranty, covenant or other agreement of such Investor contained herein or in any of the Transaction Documents.

(ii) PC411 hereby covenants and agrees to indemnify and hold harmless the Company from any Loss arising in connection with the Excluded Liabilities.

(c) NOTICE AND DEFENSE. The obligation of the Company and the Investors hereunder with respect to their respective indemnities hereunder resulting from any claim or other assertion of liability by third parties (hereinafter collectively, "Third Party Claim(s)"), shall be subject to the following terms and conditions:

(i) The party seeking indemnification hereunder (the "Indemnified Party") shall give written notice of any such Third Party Claim to the party from whom indemnification is sought hereunder (the "Indemnifying Party") within ten (10) business days after the Indemnified Party receives notice thereof; provided, however, the failure to give notice timely shall not affect the Indemnifying Party's obligation hereunder except to the extent that such failure prejudices the Indemnifying Party or its ability to defend or reduce the Loss relating to such Third Party Claim.

(ii) The Indemnifying Party shall have the right to undertake, with counsel or other representatives of its own choosing and reasonably acceptable to the Indemnified Party, the defense or settlement of any such Third Party Claim.

(iii) In the event that the Indemnifying Party shall have the right to undertake the defense of any Third Party Claim, but shall fail to notify the Indemnified Party within ten (10) days of receipt of the notice that it has elected to undertake such defense or settlement, or if at any time the Indemnifying Party shall otherwise fail to diligently defend or pursue settlement of such claim, then the Indemnified Party shall have the right to undertake the defense, compromise or settlement of such claim, with counsel reasonably acceptable to the Indemnifying Party.

(iv) Neither party shall settle any Third Party Claim without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. In the event the Indemnifying Party submits to the Indemnified Party a bona fide settlement offer from the third party claimant of any Third Party Claim (which settlement offer shall include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such claim) and the Indemnified Party refuses to consent to such settlement, then thereafter the Indemnifying Party's liability to the Indemnified Party for indemnification hereunder with respect to such Third Party Claim shall not exceed the settlement amount included in said bona fide settlement offer, and the Indemnified Party shall either assume the defense of such Third Party Claim or pay the Indemnifying Party's attorneys fees and other out of pocket costs incurred thereafter in continuing the defense of such claim.

(v) Regardless of which party is conducting the defense of any such Third Party Claim, the other party, with counsel or other representatives of its own choosing and at its sole cost and expense, shall have the right to consult with the party conducting the defense of such claim and its counsel or other representatives concerning such claim and the Indemnifying Party and the Indemnified Party and their respective counsel or other representatives shall cooperate with respect to such claim, and the party conducting the defense of any such claim and its counsel shall in any case keep the other party and its counsel (if any) fully informed as to the status of any claim and any matters relating thereto. Each party shall provide to the other party such records, books, documents and other materials as shall reasonably be necessary for such party to conduct or evaluate the defense of any Third Party Claim and will generally cooperate with respect to any matters relating thereto.

12. SURVIVAL. The representations and warranties contained in this Agreement shall survive the Closing for a period of two (2) years from the Closing Date.

13. EXPENSES. Except as otherwise specifically provided herein, each party hereto shall pay all of its or his respective expenses relating to this

transaction, including fees and disbursements of their respective counsel, accountants, brokers, investment bankers and financial advisors, whether or not the transactions contemplated hereunder are consummated; provided, however, the Company shall reimburse Dean Eaker a sum not to exceed $70,000 for all legal fees incurred on his behalf and/or on behalf of the Company prior to the Closing Date provided the transaction closes; provided further, any legal fees or expenses in excess of $70,000 incurred by the Company or Dean Eaker individually prior to the Closing Date with respect to this Agreement or formation of the Company, including, but not limited to, the negotiation and preparation of Transaction Documents shall not be paid by the Company but shall be an individual expense of Dean Eaker's, unless otherwise approved by Acxiom in writing prior to the Closing Date. The provisions of this Section 13 shall survive any termination of this Agreement.

14. MISCELLANEOUS.

(a) BINDING EFFECT AND BENEFIT; ASSIGNMENT. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, heirs, successors and permitted assigns. This Agreement shall not be assignable or otherwise transferrable by any party hereto without the prior written consent of the non-assigning parties.

(b) FURTHER ASSURANCES. The parties agree that from time to time hereafter, upon request, each of them will execute, acknowledge and deliver such other instruments and documents and take such further action as may be reasonably necessary to carry out the intent of this Agreement.

(c) MODIFICATION. No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

(d) HEADINGS AND CAPTIONS. Subject headings and captions are included for convenience purposes only and shall not affect the interpretation of this Agreement.

(e) NOTICE. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, (iii) mailed by certified mail, postage prepaid, return receipt requested, or (iv) sent by telecopy or other facsimile transmission as follows:

If to the Company, addressed or delivered in person to:

Digital Asset Management, Inc.
67 Stonehedge Drive South
Greenwich, CT 06831
Attn: Dean Eaker, President
Facsimile: 203-531-4249

with a copy to:

Kronish, Lieb, Weiner & Hellman, LLP
1114 Avenue of the Americas
New York, NY 10036-7798
Attn: Chet F. Lipton, Esq.
Facsimile: 212-479-6275

If to the Investor, addressed or delivered in person to:

Acxiom Corporation
301 Industrial Blvd.
Conway, AR 72033-2000

Attn: Mark Theilken
Facsimile: 501-336-3935

with a copy to:

Friday, Eldredge & Clark
400 W. Capitol, Suite 2000
Little Rock, AR 72201
Attn: Carla G. Spainhour, Esq.
Facsimile: 501-376-2147

and

PC411, Inc.
100 SE Second Street, 32nd Floor
Miami, FL 33131
Attn: J. Bryant Kirkland, III
Vice President and Chief Financial Officer
Facsimile: 305-579-8022

with a copy to:

Morse, Zelnick, Rose & Lander, LLP
450 Park Avenue
New York, NY 10022
Attn: Joel J. Goldschmidt, Esq.
Facsimile: 212-838-9190

or to such other address as either party may designate by notice.

Any such notice or communication, if given or made by prepaid, certified mail or by recorded express delivery, shall be deemed to have been made when actually received, but not later than three (3) business days after the same was posted or given to such express delivery service and if made properly by telecopy or other facsimile transmission, such notice or communication shall be deemed to have been made at the time of dispatch.

(f) SEVERABILITY. If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions herein.

(g) WAIVER. No waiver of a breach or violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach or limit or restrict any right or remedy otherwise available.

(h) GENDER AND NUMBER. Throughout this Agreement, the masculine shall include the feminine and neuter and the singular shall include the plural and vice versa as the context requires.

(i) ENTIRE AGREEMENT. This document (together with the exhibits, schedules and attachments hereto) constitutes the entire Agreement of the parties and supersedes any and all other prior agreements, oral or written, with respect to the subject matter contained herein. There are no representations, warranties, covenants or agreements between the parties hereto with respect to this transaction except those expressly set forth herein.

(j) GOVERNING LAW. This Agreement shall be subject to and governed by the laws of the State of Connecticut.

(k) INCORPORATION BY REFERENCE. All schedules, exhibits and documents referred to in this Agreement shall be deemed incorporated herein by any reference thereto as if fully set out.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts (all counterparts together reflecting the signatures of all parties), each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

(m) AUTHORITY. Each individual signing this Agreement in a representative capacity acknowledges and represents that he/she is duly authorized to execute this Agreement in such capacity in the name of, and on behalf of, the designated corporation, partnership, trust, or other entity.

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IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the day and year aforesaid.

ACXIOM CORPORATION

By: /s/ Mark Theilken

Mark Theilken, Group Leader

PC411, INC.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III, Vice President and
Chief Financial Officer

DIGITAL ASSET MANAGEMENT, INC.

By: /s/ Dean Eaker

Dean Eaker, President

EXHIBIT 10.1

VOTING AGREEMENT

This Voting Agreement ("Agreement") is made and entered into the 31 day of October, 1998 (the "Effective Date") by and between Digital Asset Management, Inc., a Delaware corporation (the "Company"), the parties listed on Exhibit A attached hereto (the "Investors") and the parties listed on Exhibit B attached hereto (the "Stockholders"). The Investors and the Stockholders are sometimes hereinafter collectively referred to as the "Holders."

RECITALS:

WHEREAS, the Investors are purchasing from the Company shares of its Preferred Stock, par value $.01 per share ("Preferred Stock"), pursuant to a Stock Purchase Agreement dated of even date herewith between the Company and the Investors (the "Purchase Agreement");

WHEREAS, each Stockholder currently owns that number of shares of the Company's common stock, par value $.01 per share ("Common Stock"), set forth beside the Stockholder's name on Exhibit B attached hereto; and

WHEREAS, as an inducement to the Investors to purchase the Preferred Stock pursuant to the Purchase Agreement, the Investors, the Stockholders and the Company desire to enter into this Agreement to set forth their agreements and understandings with respect to how the shares of the Company's capital stock ("Capital Stock") held by them will be voted on certain matters.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants made herein, the parties hereby agree as follows:

1. SIZE OF BOARD OF DIRECTORS. During the term of this Agreement, each Holder agrees to vote all shares of Capital Stock now or hereafter directly or indirectly owned (of record or beneficially) by such Holder to maintain a Board of Directors of the Company (the "Board"), with an authorized number of members of the Board being five (5) persons, and to oppose any effort by any party to change the number of members of the Board.

2. ELECTION OF BOARD OF DIRECTORS.

(a) VOTING AND BOARD COMPOSITION. During the term of this Agreement, each Holder agrees to vote all shares of Capital Stock now or hereafter directly or indirectly owned (of record or beneficially) by such Holder, in such a manner as may be necessary to elect (and maintain in office) as members of the Board, the following individuals:

(i) One (1) individual designated from time to time in writing delivered to the Company and signed by Stockholders who at the time in question hold shares of outstanding Common Stock representing at least a majority of the voting power of all outstanding shares of Common Stock then held by all Stockholders (the "Stockholders' Designee"); and

(ii) Three (3) individuals (the "Acxiom Designees") designated from time to time in writing delivered to the Company and signed by Acxiom Corporation ("Acxiom"); and

(iii) One (1) individual (the "PC411 Designee") designated from time to time in writing delivered to the Company and signed by PC411, Inc. ("PC411").

(b) The initial Stockholders' Designee shall be Dean Eaker; the initial Acxiom Designees shall be Mark Theilken, Art Kellam and Adam Gadberry; and the initial PC411 Designee shall be J. Bryant Kirkland III (collectively "Board Designee(s)"). Each of the Stockholders' Designee, the Acxiom Designees and the PC411 Designee are hereinfter referred to as "Designee" and the party entitled to designate a designee to the Board is hereinafter referred to as a "Designator."

3. CHANGES IN BOARD DESIGNEES. From time to time during the term of this Agreement, a Designator may in its sole discretion:

(a) remove from the Board any Board Designee designated by such Designator; and

(b) designate a new Board Designee for election to the Board to replace a prior Board Designee who has been removed pursuant to Section 3(a) or to fill a vacancy occasioned by the resignation or death of such Designator's Board Designee; provided however, such removal and/or designation of a Board Designee shall be made in writing signed by the relevant Designator, in which case such election to remove a Board Designee and/or elect a new Board Designee will be binding on such Designator. In the event of such a removal and/or designation of a Board Designee, the Holders shall vote their shares of Capital Stock as provided in Section 2 to cause:

(i) the removal from the Board of the Board Designee or Designees so designated for removal by the appropriate Designator; and

(ii) the election to the Board of any new Board Designee or Designees so designated for election to the Board by the appropriate Designator.

4. NOTICE. The Company shall promptly give each of the Holders written notice of any change in the Board and of any proposal by a Designator to remove or elect a new Board Designee.

5. FURTHER ASSURANCES.

(a) Each of the Holders agrees not to vote any shares of the Capital Stock, or take any other actions that would in any manner defeat, impair, be inconsistent with or adversely affect the stated intentions of any of the parties under Sections 1, 2 or 3 of this Agreement.

(b) In addition to any vote otherwise required by law or the Company's Certificate of Incorporation or Bylaws, (A) the affirmative vote of both the Acxiom Designees and the PC411 Designee shall be required to take or agree to take any of the following actions: (i) any change in the primary focus of the Company's Business Plan, attached hereto as Exhibit C; (ii) a merger, sale or recapitalization of the Company; or (iii) any amendment to the Certificate of Incorporation or Bylaws of the Company which would materially adversely affect the rights of either of the Investors; and (B) the affirmative vote of the Acxiom Designees shall be required to borrow money pursuant to the Bridge Loan and Security Agreement or the Acxiom Loan and Security Agreement, respectively, executed of even date herewith.

6. TRANSFEREES; LEGENDS ON CERTIFICATES.

(a) EFFECT ON TRANSFEREES. Each and every transferee or assignee of any shares of Capital Stock from any Holder shall be bound by, and subject to the terms and conditions of this Agreement that are applicable to the transferor or assignor of such shares to the transferee or assignee, and the Company shall require that the transferee agrees in writing to be bound by, and subject to, all terms and conditions of this Agreement as a condition precedent to the transfer of any shares of Capital Stock subject to this Agreement. For purposes of this Agreement, any transferee or assignee of an Investor shall,

upon the effective date of such transfer or assignment be deemed an Investor solely with respect to the shares so transferred or assigned, and any transferee or assignee of a Stockholder shall, upon the effective date of such transfer, be deemed a Stockholder solely with respect to the shares so transferred or assigned.

(b) LEGEND. All Company share certificates now or hereafter held by the Holders that represent shares of Capital Stock of the Company subject to this Agreement shall be stamped or otherwise imprinted with the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE STATE SECURITIES LAWS IN RELIANCE UPON THE REPRESENTATION OF THE REGISTERED HOLDER HEREOF THAT THESE SECURITIES HAVE BEEN PURCHASED WITH INVESTMENT INTENT AND NOT FOR RESALE OR WITH A VIEW TO DISTRIBUTION. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY OF EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND APPLICABLE STATE SECURITIES LAWS. IN ADDITION, THIS CERTIFICATE IS TRANSFERABLE ONLY UPON COMPLIANCE WITH THE PROVISIONS OF THE SHAREHOLDERS AGREEMENT AND THE VOTING AGREEMENT BY AND AMONG THE COMPANY AND ALL ITS STOCKHOLDERS, COPIES OF WHICH ARE ON FILE AT THE OFFICE OF THE COMPANY. ANY TRANSFER CONTRARY TO THE ABOVE INSTRUCTIONS IS VOID AB INITIO."

7. ENFORCEMENT OF AGREEMENT. Each of the Holders agrees that any breach by any of them of this Agreement shall cause the other Holders irreparable harm which may not be adequately compensated by money damages. Accordingly, in the event of a breach or a threatened breach by a Holder of any provision of this Agreement, the Company and each other Holder shall be entitled to the remedies of specific performance, injunction or other preliminary or equitable relief, including the right to compel any such breaching Holder, as appropriate, to vote such Holder's shares of Capital Stock in accordance with the provisions of this Agreement, in addition to such other rights or remedies as may be available to the Company or any Holder for any such breach or threatened breach including, but not limited to, the recovery of money damages.

8. TERM. This Agreement shall commence on the Effective Date and shall terminate upon the first of the following to occur:

(a) Execution by each Investor and by the Stockholders who hold a majority of the shares of Capital Stock then held by all of the Stockholders of a written agreement to terminate this Agreement;

(b) The consummation of the first sale of securities of the Company to the public pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended;

(c) The first date on which the outstanding Capital Stock owned by the Investors (calculating all shares of Preferred Stock then outstanding as if such shares had been converted into Common Stock) constitutes less than thirty percent (30%) in the aggregate of the

number of shares of the Common Stock that would be outstanding shares if the Preferred Stock were then converted into shares of the Common Stock. Notwithstanding the foregoing, any Investor owning Capital Stock representing at least fifteen percent (15%) of the voting power of the Company, shall have the right to designate one member of the Board. The foregoing sentence shall survive termination of this Agreement.

(d) Immediately prior to the closing of (i) any consolidation or merger of the Company with or into any other corporation or corporations in which the Holders of outstanding shares of Capital Stock immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain stock representing the majority of voting power of the surviving Corporation; (ii) the sale, transfer or assignment of securities of the Company representing the majority of the voting power of all the Company's outstanding voting securities by the Holders thereof to an acquiring party in a single transaction or series of related transactions; or (iii) any other sale, transfer or assignment of securities of the Company representing over fifty percent (50%) of the voting power of the Company's then outstanding voting securities by the holders thereof to an acquiring party other than an affiliate of any Investor.

9. MISCELLANEOUS.

(a) BINDING EFFECT AND BENEFIT; ASSIGNMENT. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective legal representatives, heirs, successors and permitted assigns. Otherwise, this Agreement is not intended to create any right for the benefit of any third party, and this Agreement shall not be assignable or otherwise transferrable by the Holders or the Company without the prior written consent of the non-assigning parties hereto; provided each Investor may transfer its shares of Capital Stock to a company controlled by or under common control with such Investor as long as the transferee agrees in writing to be bound by, and subject to, all terms and conditions of this Agreement as a condition precedent to the transfer of any shares of Capital Stock.

(b) FURTHER ASSURANCES. The parties agree that from time to time hereafter, upon request, each of them will execute, acknowledge and deliver such other instruments and documents and take such further action as may be reasonably necessary to carry out the intent of this Agreement.

(c) MODIFICATION. No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

(d) HEADINGS AND CAPTIONS. Subject headings and captions are included for convenience purposes only and shall not affect the interpretation of this Agreement.

(e) NOTICE. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by

express mail or other overnight delivery service providing receipt of delivery, (iii) mailed by certified mail, postage prepaid, return receipt requested, or (iv) sent by telecopy or other facsimile transmission as follows:

If to the Company, addressed or delivered in person to:

Digital Asset Management, Inc.
67 Stonehedge Drive South
Greenwich, CT 06831
Attn: Dean Eaker, President
Fax: 203-531-4249

with a copy to:

Kronish, Lieb, Weiner & Hellman, LLP
1114 Avenue of the Americas
New York, NY 10036-7798
Attn: Chet F. Lipton, Esq.
Fax: 212-479-6275

If to Investors, addressed or delivered in person to:

Acxiom Corporation
301 Industrial Blvd.
Conway, AR 72033-2000
Attn: Mark Theilken, Group Leader
Fax: 501-336-3910

with a copy to:

Friday, Eldredge & Clark
400 W. Capitol, Suite 2000
Little Rock, AR 72201
Attn: Carla G. Spainhour, Esq.
Fax: 501-376-2147

and to:

PC411, Inc.
100 SE Second Street, 32nd Floor
Miami, FL 33131
Attn: J. Bryant Kirkland III
Vice President and Chief Financial Officer
Fax: 305-573-8022

with a copy to:

Morse, Zelnick, Rose & Lander, LLP
450 Park Avenue
New York, NY 10022
Attn: Joel J. Goldschmidt, Esq.
Fax: 212-838-9190

If to Stockholder(s), addressed or delivered in person to:

Mr. Dean Eaker
Digital Asset Management, Inc.
67 Stonehedge Drive South
Greenwich, CT 06831
Fax: 203-531-4249

Mr. Joshua Blumenthal
534 Monterey Avenue
Pelham, NY 10803
Fax: 914-738-0169

Mr. Edward A. Fleiss
75 Hillwood Drive
Huntington Station, NY 11746
Fax: 516-425-6409

Mr. Keith Goodman
235 Park Street
Lyons, CO 80540
Fax: 303-823-5476

Mr. Bruce Biegel
198 Hillside Avenue
Berkeley Heights, NJ 07922
Fax: 908-665-1925

Mr. Neil Ritter
14 Guilford Lane
Greenwich, CT 06831
Fax: 203-531-4613

or to such other address as either party may designate by notice.

Any such notice or communication, if given or made by prepaid, certified mail or by recorded express delivery, shall be deemed to have been made when actually received, but not later than three (3) business days after the same was posted or given to such express delivery service and if made properly by telecopy or other facsimile transmission, such notice or communication shall be deemed to have been made at the time of dispatch.

(f) SEVERABILITY. If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions herein.

(g) WAIVER. No waiver of a breach or violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach or limit or restrict any right or remedy otherwise available.

(h) GENDER AND NUMBER. Throughout this Agreement, the masculine shall include the feminine and neuter and the singular shall include the plural and vice versa as the context requires.

(i) ENTIRE AGREEMENT. This document (together with the exhibits, schedules and attachments hereto) constitutes the entire Agreement of the parties and supersedes any and all other prior agreements, oral or written, with respect to the subject matter contained herein. There are no representations, warranties, covenants or agreements between the parties hereto with respect to this transaction except those expressly set forth herein.

(j) GOVERNING LAW. This Agreement shall be subject to and governed by the laws of the State of Delaware.

(k) INCORPORATION BY REFERENCE. All schedules, exhibits and documents referred to in this Agreement shall be deemed incorporated herein by any reference thereto as if fully set out.

(l) COUNTERPARTS. This Agreement may be executed in one or more counterparts (all counterparts together reflecting the signatures of all

parties), each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

(n) AUTHORITY. Each individual signing this Agreement in a representative capacity acknowledges and represents that he/she is duly authorized to execute this Agreement in such capacity in the name of, and on behalf of, the designated corporation, partnership, trust, or other entity.

IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the day and year aforesaid.

Investors:

Acxiom Corporation

By: /s/ Mark Theilken

Mark Theilken, Group Leader

PC411, Inc.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III,
Vice President and Chief Financial Officer

Company:

Digital Asset Management, Inc.

By: /s/ Dean Eaker

Dean Eaker, President

Stockholders:

/s/ Dean Eaker

Dean Eaker

Joshua Blumethal

/s/ Edward A. Fleiss

Edward A. Fleiss

/s/ Keith Goodman

Keith Goodman

/s/ Bruce Biegel

Bruce Biegel

/s/ Neil Ritter

Neil Ritter

EXHIBIT 10.2

SHAREHOLDERS AGREEMENT

This Shareholders Agreement ("Agreement") is entered into as of October 31, 1998 by and among Digital Asset Management, Inc. (the "Company"), a Delaware corporation, those investors in the Company listed on Exhibit A attached hereto (the "Investors" and each individually referred to as an "Investor") and those Stockholders of the Company listed on Exhibit B attached hereto (the "Stockholders" and each individually referred to as a "Stockholder"). The Investors and the Stockholders are sometimes hereinafter collectively referred to as the "Holders."

RECITALS:

WHEREAS, each Stockholder currently owns that number of shares of the Company's common stock, par value $.01 per share (the "Common Stock"), set forth beside the Stockholder's name on Exhibit B attached hereto; and

WHEREAS, each Investor is purchasing from the Company that number of shares of the Company's Preferred Stock, par value of $.01 per share ("Preferred Stock"), shown beside such Investor's name on Exhibit A attached hereto, pursuant to that certain Stock Purchase Agreement entered into by and between the Company and the Investors dated of even date herewith (the "Purchase Agreement");

WHEREAS, to induce the Investors to purchase such shares of the Preferred Stock from the Company and to enter into the Stock Purchase Agreement, each Holder has agreed to grant the Company and the other Holders certain rights of first refusal as set forth herein with respect to the shares of the Company's stock currently owned or hereinafter acquired by the Holder;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. COLLATERAL PLEDGE. A Holder may pledge shares of capital stock of the Company owned by such Holder as collateral security for a loan; provided any sale, transfer or other disposition of the stock so pledged upon foreclosure or otherwise shall be subject to the terms and conditions of this Agreement and the right of first refusal purchase option in favor of the Company and the other Holders as set forth herein.

2. RESTRICTIONS ON TRANSFER.

(a) Except as provided in Section 1, no shares of capital stock of the Company, now owned or hereinafter acquired, may be sold, assigned, conveyed, pledged, hypothecated or otherwise transferred by any Holder, voluntarily, involuntarily, by operation of law or otherwise (collectively, a "Disposition"), without the prior written consent of the other Stockholders holding a majority of the shares of the Common Stock and the Preferred Stock issued and outstanding.

(b) Except as otherwise provided in Section 1 or 2 (a), prior to any Disposition of shares of capital stock of the Company by any Holder, the registered holder of such stock (the "Transferor") shall first provide written notice of the intended Disposition to the Company and the other Holders (the "Disposition Notice"). The Disposition Notice shall set forth all of the terms of the proposed Disposition, including price and payment terms for any sale, the name and address of the proposed transferee, the number of shares involved in the proposed Disposition, and the date on which the transaction is to occur, which date shall not be earlier than forty-five (45) days from the date of the notice. The date of the Disposition Notice shall hereinafter be referred to as the "Notice Date."

(c) For a period of thirty (30) days after the Notice Date, the Company shall have the right of first refusal option to purchase all, but

not less than all, of the shares of capital stock of the Transferor on the same terms and conditions identified in the Disposition Notice, which option shall lapse and expire if not exercised in writing within said 30-day period by vote of the Board of Directors of the Company (without participation by the Transferor). In the event said option is exercised, the closing shall take place at the principal office of the Company within thirty (30) days after notice of the intent to exercise is given; provided however, unless the parties agree otherwise, the closing in all events shall take place within sixty (60) days of the Notice Date.

(d) In the event the foregoing option is not exercised by the Company as provided above, then the shares of stock of the Transferor identified in the Disposition Notice shall become subject to a second option in favor of the other Holders to purchase all, but not less than all, of such stock on the same terms and conditions, which option shall lapse and expire if not exercised by written notice to the Transferor prior to the forty-fifth (45th) day following the Notice Date.(1) In the event the other Holders exercise said option, the closing shall take place at the principal office of the Company within thirty (30) days after notice of the intent to exercise; provided however, unless the parties agree otherwise, the Closing in all events shall take place within seventy-five (75) days of the Notice Date.

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(1) In the event the Company exercises its option and wrongfully fails to close the transaction as set forth above, the other Holders shall have the right to exercise the foregoing option for a period of fifteen (15) days after receipt of written notice of the Company's default.

(e) In the event more than one other Holder exercises the foregoing option, each such other Holder shall have the right to purchase a "proportionate share" of such stock based upon the ratio expressed as a percentage of (i) the number of shares of capital stock of the Company owned by the Holder to (ii) the total number of shares of capital stock of the Company owned by all Holders (other than the Transferor) electing to exercise the option with the Investor's shares being considered on an as converted basis. If one or more of the Holders (individually or as a group) fails to purchase all of the Transferor's stock identified in the Disposition Notice then no purchase shall be made pursuant to the option unless other non-defaulting Holders agree to purchase all such shares of stock.

(f) In the event neither the Company nor the other Holders exercise their respective options as provided above, then the Transferor may proceed to complete the Disposition to the prospective purchaser or other transferee identified in the Disposition Notice, but only in accordance with the terms stated in such notice. If the Transferor shall fail to complete such Disposition within one hundred twenty (120) days following the Notice Date, and if the Transferor still intends to complete said Disposition, the Transferor shall be required to provide another Disposition Notice to the Company and the other Holders, and the Company and the other Holders shall each have another right of first refusal option to purchase such shares as provided above, prior to the consummation of any such intended Disposition. Any purchaser or other transferee acquiring the offered shares shall be automatically bound by the terms of this Agreement and shall be required to join in, execute, and deliver a counterpart of this Agreement as a condition to the issuance by the Company of a stock certificate in such person's name.

(g) Notwithstanding anything contained herein to the contrary, each Investor may transfer its shares of stock in the Company, without complying with Section 2, to a company controlled by or under common control with such Investor, provided the transferee agrees in writing to be bound by the terms of this Agreement and the transferring Investor provides written notice of such transfer to the other Holders within thirty (30) days after such transfer.

3. PARALLEL EXIT RIGHTS. In the event of a proposed Disposition by sale where the right-of-first refusal periods set forth in Section 2 shall expire without all shares subject to such right having been accepted, each Holder (with the Investor's shares considered on an as-converted basis) shall have the right (a "Parallel Exit Right") to require the selling Holder to reduce the number of shares to be sold by him or it and have the purchaser purchase from the Holders electing to exercise a Parallel Exit Right the number of shares derived by multiplying the total number of shares of Common Stock owned by the Holders electing the Parallel Exit Rights (with the Investor's shares considered on an as-converted basis) by a fraction, the numerator of which is the total number of shares of Common Stock owned by the electing Holder and the denominator of which is the total number of shares of Common Stock (on an as-converted basis) owned by all of the electing Holders and the selling Holder. The purchase of the electing Holders shares shall be on the same terms and conditions, provided each of the electing Holders gives written notice of their election to the transferor no later than five (5) days prior to the closing. The provisions of Section 2 shall not apply with respect to any shares which may be

sold pursuant to the exercise of a Parallel Exit Right.

4. TERMINATION OF EMPLOYMENT. In the event any Stockholder's employment with the Company terminates, all of such Stockholder/former employee's shares of stock in the Company shall immediately become subject to an option to purchase such stock in favor of the Company first, and the other Holders second for a period of ninety (90) days following such Stockholder/former employee's termination of employment. Notwithstanding the foregoing, such option shall not be exercisable with respect to the shares of stock owned by Dean Eaker ("Eaker") in any of the following circumstances: (a) Eaker is terminated without "cause" (as defined in Eaker's employment agreement with the Company); or (b) Eaker's employment with the Company terminates due to a "disability" (as defined in Eaker's employment agreement with the Company); or (c) Eaker voluntarily leaves the Company after the contractual term of employment because the Company has not offered him a new contract on terms (including salary, bonus and benefits) at least as favorable as those contained in his existing employment contract. If all the shares of stock of such Stockholder/former employee are not purchased by the Company, the other Holders shall have the right to purchase such stock as provided in Section 2. The purchase price and terms of payment shall be determined pursuant to Sections 8 and 9. In the event of a termination of employment by reason of death, the provisions of Section 7 shall control.

5. DIVORCE. If a Stockholder shall become a party to a divorce proceeding and pursuant to any court order or decree in such proceeding all or any portion of the Stockholder's stock in the Company is awarded to the Stockholder's former spouse, the stock so awarded shall immediately become subject to an option to purchase on the part of the Company first, and the other Holders second, for an aggregate period of ninety (90) days after written notice of such order or decree is provided to the Company and the other Holders in the manner provided in Section 2 as in the case of any proposed Disposition. If all of the shares of stock so awarded are not purchased by the Company, the other Holders shall have the right to purchase such stock as provided in Section 2. The purchase price and terms of payment shall be determined pursuant to Sections 8 and 9.

6. BANKRUPTCY OR INSOLVENCY. If in connection with any bankruptcy or insolvency proceeding involving any Holder, any court order or decree is issued for the Disposition of any shares of stock of the Company, all of such shares of stock shall immediately become subject to an option to purchase in favor of the Company first and the other Holders second, for an aggregate period of ninety (90) days after written notice of such court order or decree is provided to the other Holders in the manner provided in Section 2 as in the case of any proposed Disposition. If all such shares of stock are not purchased by the Company, the

other Stockholders and Investors shall have the right to purchase such stock as provided in Section 2. The purchase price and term of payment shall be determined pursuant to Sections 8 and 9.

7. DEATH. Upon the death of a Stockholder (the "Decedent"), all of the shares of stock in the Company owned by the Decedent or to which the Decedent or his personal representative shall be entitled, shall become subject to an option to purchase on the part of the Company first, and the other Holders second, for a period of one hundred twenty (120) days following the date of the Decedent's death. If all of such stock is not purchased and redeemed by the Company, the other Holders shall have the right to purchase such stock as provided in Section 2. The purchase price and terms of payment shall be determined pursuant to Sections 8 and 9; PROVIDED, HOWEVER, notwithstanding the provisions of Section 9 to the contrary, if the Company exercises its option to purchase the shares and the Company receives any proceeds from any policy of insurance on the life of the Decedent, such proceeds, to the extent of the purchase price, shall be paid to the Decedent's personal representative as a credit to the purchase price. In the event neither the Company nor the other Holders elect to exercise the foregoing option following the death of the Decedent, the Decedent's personal representative shall have the right to cause the Company to purchase such stock for the purchase price determined pursuant to Section 8, with the proceeds equal in value, to the extent required, to any life insurance received by the Company by reason of the death of the Decedent payable immediately to the Decedent's estate and the balance, if any, of the purchase price over and above the proceeds of the life insurance, being payable in twenty-four (24) equal monthly installments beginning the month after the insurance proceeds are paid. Any such election by the Decedent's personal representative shall be made in writing not less than one hundred fifty (150) days following the date of the Decedent's death.

8. PURCHASE PRICE. The purchase price for any shares of capital stock of the Company purchased pursuant to this Agreement shall be equal to the purchase price contained in any bona fide offer to purchase such shares which the Transferor proposes to accept, as identified in the Disposition Notice, or in the absence of such bona fide offer or in situations other than proposed Dispositions involving a sale, the purchase price for such stock shall be equal to the "fair market value" of such stock. "Fair market value" shall mean and refer to the price at which the stock would change hands between a willing buyer and willing seller, neither under any compulsion to buy or sell, and both having reasonable knowledge of the relevant facts. If the parties involved cannot agree on the fair market value of the stock, the fair market value shall be determined by an appraiser mutually acceptable to such parties. In the event the parties involved are unable to agree on an appraiser, the seller, on the one hand, and the purchaser, on the other hand, shall each select an appraiser, and such two appraisers shall first attempt to determine the fair market value by mutual agreement, but if they are unable to agree, such appraisers shall select a third appraiser and the fair market value shall be determined by average of the two closest appraisals. The appraiser shall use one or more valuation methods that in his professional judgment most appropriately reflect the value of the stock. Any valuation so determined shall be binding and conclusive absent manifest error. The cost of such appraisal shall be borne equally by the seller, on the one hand, and the purchaser, on the other hand.

9. PAYMENT OF PURCHASE PRICE. In situations involving proposed Dispositions by sale, the purchase price for any shares of stock purchased pursuant to this Agreement shall be paid upon the same terms and conditions (including, as near as possible, security terms) as contained in the bona fide offer to purchase such shares received by the Transferor and identified in the Disposition Notice. In the absence of any such bona fide offer, or in situations other than proposed Dispositions involving a sale, the purchase price shall be paid in twenty-four (24) equal monthly installments commencing on the closing date of such sale or transfer unless agreed otherwise by the parties.

10. SECURITY FOR PAYMENT OF PURCHASE PRICE. Whenever the purchase price for any shares of capital stock purchased pursuant to this Agreement is to be paid in installments, such shares of capital stock shall be pledged to the seller as collateral security until full payment of the purchase price, and all certificates representing such shares of capital stock shall be delivered to the seller to hold in the capacity of a secured party as collateral for such indebtedness. The seller/secured party shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code as adopted under the laws of the State of Delaware.

11. RESTRICTIVE LEGENDS. Each certificate representing shares of capital stock in the Company shall be stamped or otherwise imprinted with the restrictive legend set forth below, or a legend substantially equivalent thereto, to be placed upon any certificate(s) or other documents or instruments evidencing ownership of stock by the Holder:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER APPLICABLE STATE SECURITIES LAWS IN RELIANCE UPON THE REPRESENTATION OF THE REGISTERED HOLDER HEREOF THAT THESE SECURITIES HAVE BEEN PURCHASED WITH INVESTMENT INTENT AND NOT FOR RESALE OR WITH A VIEW TO DISTRIBUTION. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY OF EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 AS AMENDED AND APPLICABLE STATE SECURITIES LAWS. IN ADDITION, THIS CERTIFICATE IS TRANSFERABLE ONLY UPON COMPLIANCE WITH THE PROVISIONS OF THE SHAREHOLDERS AGREEMENT AND THE VOTING AGREEMENT BY AND AMONG THE COMPANY AND ALL ITS STOCKHOLDERS, COPIES OF WHICH ARE ON FILE AT THE OFFICE OF THE COMPANY. ANY TRANSFER CONTRARY TO THE ABOVE INSTRUCTIONS IS VOID AB INITIO."

12. ISSUANCE OF ADDITIONAL SHARES BY THE COMPANY. Nothing contained herein shall restrict or otherwise prohibit the Company from issuing any additional shares of capital stock or other securities in any manner allowed by applicable law; provided however, before any additional shares of stock of the Company are issued in the future, (i) each Holder, whether an Investor or a Stockholder, shall first be given the opportunity for a period of at least thirty (30) days to subscribe for and purchase a pro-rata portion of any such additional shares of stock or other securities proposed to be offered (upon the

same terms and conditions as proposed to be offered to third parties) in order to maintain their relative percentage ownership, with each Preferred Stockholder's share to be calculated on an as converted basis, and (ii) any new shareholder (if not a signatory to this Agreement), shall be required to become a party to and execute and deliver a counterpart of this Agreement prior to the issuance of any stock certificate representing such shares. Notwithstanding the foregoing, the following issuances of capital stock of the Company shall not be subject to the provisions of this Section 12: (a) the issuance of 1,250 or fewer shares of Preferred Stock to one or more investors for not less than $1,000 per share; (b) the issuance of 220 shares of Common stock to Eaker and/or his designees pursuant to the option contained in Eaker's employment agreement with the Company; and (c) the issuance of 3,090 shares of Common Stock reserved for issuance under the Company's 1998 Stock Option Plan, dated as of the date hereof.

13. ADDITIONAL STOCK HEREAFTER ACQUIRED. The terms of this Agreement shall be applicable to any additional shares of stock of the Company acquired hereafter by any Holder.

14. MAJOR DECISIONS. In addition to any voting requirements established by law, or the Company's Certificate of Incorporation or Bylaws, the prior written consent of the Stockholders owning a majority of the shares of Common Stock issued and outstanding at that time and each Investor (provided such Investor owns shares of the Capital Stock representing at least fifteen percent (15%) of the voting power of the Company) shall be required in connection with the following: (i) any change by the Company in the primary focus of the Company's Business Plan, attached hereto as Exhibit C; (ii) a merger, sale or recapitalization of the Company; or (iii) any amendment to the Certificate of Incorporation or the Bylaws of the Company which would materially adversely affect the rights of either of the Investors.

15. TERMINATION. This Agreement shall terminate and all rights and obligations of the parties hereto shall cease (i) upon the written agreement of all Investors and of the Stockholders who hold a majority of the shares of capital stock of the Company then held by the Stockholders, (ii) upon the voluntary dissolution of the Company by vote of the Holders in accordance with applicable law, (iii) upon the consummation of the first sale of securities of the Company to the public pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended, or (iv) immediately prior to closing of any consolidation or merger of the Company or any sale of all or substantially all of the Company's assets. In addition, if any Holder ceases to be a Stockholder or Investor in the Company, such Holder shall thereafter not have any further rights hereunder, other than (i) the right to receive full payment of the purchase price for any shares of stock sold by such Holder pursuant to this Agreement and (ii) rights as a secured creditor as provided herein until such purchase price is paid in full.

16. MISCELLANEOUS.

(a) FURTHER ASSURANCES. The parties agree that from time to time hereafter, upon request, each of them will execute, acknowledge and deliver such other documents and instruments, and take such further action, as may be reasonably necessary to carry out the intent of this Agreement.

(b) BINDING EFFECT AND BENEFIT. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns. Except as otherwise provided herein, the rights and obligations pursuant to this Agreement are not assignable without the other Holders' prior written consent. Otherwise, this Agreement is not intended to create any rights for the benefit of any third party.

(c) MODIFICATION. No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby; provided however, consent of the Stockholders, who hold a majority of the shares of all the capital stock of the Company then held by Stockholders, shall constitute the consent of the Stockholders.

(d) SEVERABILITY. If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions contained herein, provided the purposes, intent and objects of this Agreement may be attained and achieved through the enforcement of such remaining terms and provisions.

(e) WAIVER. No waiver of a breach or violation of any term or provision of this agreement shall operate or be construed as a waiver of any subsequent breach or limit or restrict any right or remedy otherwise available. Any waiver must be in writing.

(f) RIGHTS AND REMEDIES CUMULATIVE. The rights and remedies expressed

herein are cumulative and not exclusive of any rights and remedies otherwise available.

(g) GENDER AND NUMBER. Throughout this Agreement, the masculine shall include the feminine and neuter and the singular shall include the plural and vice versa as the context requires.

(h) HEADINGS AND CAPTIONS. Subject headings and captions are included for convenience purposes only and shall not affect the interpretation of this Agreement.

(i) NOTICE. All notices, requests, demands and other communications required or permitted hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, or (iii) mailed by certified or registered mail, postage prepaid, return receipt requested as follows:

(A) If to the Company, addressed or delivered in person to the President of the Company at the principal office of the Company, with a copy to each member of Board of Directors of the Company at their last known address appearing in the records of the Company.

(B) If to any Stockholder or Investor, addressed or delivered in person to such Stockholder or Investor at the Stockholder's or

Investor's last known address appearing in the Company's stock records.

Any party may change such party's address for notice at any time by written notice to all other parties hereto. Any such notice or communication shall be deemed to have been made when actually received.

(j) SPECIFIC PERFORMANCE. The parties hereto recognize that the Company's stock is a unique asset. Accordingly, in the event of a breach of this Agreement, any non-breaching party shall be entitled to specific performance of the covenants contained herein, in addition to any other remedy to which such party may be entitled hereunder, or otherwise at law or in equity.

(k) ENTIRE AGREEMENT. This document constitutes the entire agreement of the parties and supersedes any and all other prior agreements, oral or written, with respect to the subject matter contained herein.

(l) GOVERNING LAW. This Agreement shall be subject to and governed by the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this agreement effective as of the day and year aforesaid.

Company:

Digital Asset Management, Inc.

By: /s/ Dean Eaker

Dean Eaker, President

ATTEST:

- ---
, Secretary

Investors:

Acxiom Corporation

/s/ Mark Theilken

By: Mark Theilken, Group Leader

PC411, Inc.

/s/ J. Bryant Kirkland III

By: J. Bryant Kirkland III
Vice President and Chief Financial Officer

Stockholders:

/s/ Dean Eaker

Dean Eaker

Joshua Blumenthal

/s/ Edward A. Fleiss

Edward A. Fleiss

/s/ Keith Goodman

Keith Goodman

/s/ Bruce Beigel

Bruce Beigel

/s/ Neil Ritter

Neil Ritter

EXHIBIT 10.3

BRIDGE LOAN AND SECURITY AGREEMENT

This BRIDGE LOAN AND SECURITY AGREEMENT ("AGREEMENT") is executed effective as of October 31, 1998, by and among DIGITAL ASSET MANAGEMENT, INC., a Delaware corporation whose principal place of business and chief executive office is located at 67 Stonehedge, Greenwich, CT 06831, Attn: Dean Eaker ("DEBTOR"), ACXIOM CORPORATION, a Delaware corporation whose mailing address is 301 Industrial Boulevard, P. O. Box 2000, Conway, AR 72033-2000, Attn: Mark Theilken ("ACXIOM"), PC411, INC., a Delaware corporation whose mailing address is 100 SE Second Street, 32nd Floor, Miami, FL 33131, Attn: J. Bryant Kirkland III ("PC411"), and DEAN EAKER, an individual citizen and resident of Connecticut whose mailing address is 67 Stonehedge Drive, Greenwich, CT 06831 ("EAKER"). (Acxiom, PC411, and Eaker shall each hereinafter be referred to individually as a "SECURED PARTY" and collectively as the "SECURED PARTIES").

W I T N E S S E T H:

WHEREAS, Debtor has requested that Secured Parties provide Debtor with a line of credit in the aggregate amount of Eight Hundred Thousand Dollars ($800,000.00), bearing interest at the short-term Applicable Federal Rate per annum, as published by the Internal Revenue Service on the date funds are advanced pursuant hereto, from the date monies are advanced until the earlier of when paid or Maturity, to be funded 50% ($400,000.00) by Acxiom, 25% ($200,000.00) by PC411, and 25% ($200,000.00) by Eaker (the "LOAN"), all in accordance with the terms hereof and of the Promissory Notes (hereinafter defined);

WHEREAS, Debtor has made certain representations and warranties to each Secured Party in the Stock Purchase Agreement executed by and among Debtor, PC411 and Acxiom of even date herewith; and

WHEREAS, to secure payment of the Loan and all other contractual obligations of Debtor to each Secured Party hereunder, and all renewals, amendments, modifications, extensions and refinancings thereof, and all future advances of the Loan, Debtor has agreed to grant to Secured Parties a security interest in the Collateral (as hereinafter defined).

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in exchange for the mutual promises and covenants contained herein, the parties hereto, intending to be legally bound, agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the capitalized terms used herein shall have the following meanings, unless the context otherwise specifically requires:

(a) "AGENT" shall mean Acxiom, its successors in interest and assigns, as collateral agent for itself, PC411, and Eaker.

(b) "COLLATERAL" shall mean and refer to all of the Debtor's property, real and

personal, tangible and intangible, wherever located including, but not limited to the following:

(i) all equipment, machinery, furniture, furnishings, supplies, fixtures, motor vehicles and any and all other tangible personal property, and all additions, accessions, replacements and substitutions with respect thereto, presently owned or hereafter acquired by Debtor (hereinafter collectively referred to as the "EQUIPMENT"), including without limitation the

property described on EXHIBIT A attached hereto and incorporated herein by reference;

(ii) cash, cash equivalents and marketable securities;

(iii) all accounts, accounts receivable, contracts and contract rights, chattel paper, documents, documents of title, instruments, customer lists, and other forms of obligation and rights to the payment of money or other property, presently owned or hereafter acquired by Debtor, together with all books and records pertaining thereto whether recorded on paper, diskettes or in magnetic or other computer format (hereinafter collectively referred to as the "ACCOUNTS");

(iv) all of Debtor's inventory, including all goods, merchandise, materials, components, supplies, work in process, finished goods, packaging materials, promotional materials and other tangible personal property presently owned or hereafter acquired by Debtor and held for sale, lease, consumption or other use in Debtor's business, and all additions, accessions, replacements and substitutions with respect thereto (hereinafter collectively referred to as the "INVENTORY");

(v) all copyrights, trademarks, service marks, tradenames, logos, marketing plans and models, databases, licenses and all other intellectual property and proprietary rights of Debtor relating to Debtor's business, and all registrations thereof, and the goodwill associated therewith, and all additions, enhancements, replacements and substitutions thereto, presently existing or hereafter acquired or developed, including, without limitation, the items listed on EXHIBIT B attached hereto and incorporated herein by reference (hereinafter collectively referred to as "INTELLECTUAL PROPERTY");

(vi) general intangibles presently owned or hereafter acquired by Debtor; and

(vii) all the proceeds (including proceeds from insurance) and products from any of the foregoing items of collateral along with any warranty, indemnity, guaranty or other rights related thereto.

(c) "DEBTOR" shall mean and refer to DIGITAL ASSET MANAGEMENT, INC., a Delaware corporation, and its successors in interest.

(d) "EMPLOYMENT AGREEMENT" shall mean that certain Employment Agreement, dated as of the date hereof, by and between Debtor and Eaker.

(e) "KEY EMPLOYEES" shall mean Dean Eaker, Ed Fleiss, Joshua Blumethal, Keith Goodman and Bruce Biegel, each of whom is an individual with an employment agreement with Debtor and a common stockholder of Debtor.

(f) "PERSON" shall mean and refer to any individual, corporation, partnership, association, limited liability company, trust, estate or other entity.

(g) "PROMISSORY NOTES" shall mean and refer to the respective promissory notes executed by Debtor as maker of even date herewith in the original aggregate principal amount of $800,000.00, each payable to one of the Secured Parties as payee, and each payable with interest at the short-term Applicable Federal Rate per annum, as published by the Internal Revenue Service on the date funds are advanced, from the date of each principal advance to the earlier of the date of full payment or maturity, and thereafter if not paid at the rate of ten percent (10%) per annum, and any amendments, modifications, extensions, renewals or refinancings thereof.

(h) "SECURED DEBT" shall mean and refer to (i) all amounts

payable to Secured Parties pursuant to the respective Promissory Notes (including principal and interest), and pursuant to any amendments, modifications, renewals, extensions or refinancings thereof; (ii) all future advances from each Secured Party to Debtor; (iii) any liabilities or obligations of Debtor arising under this Agreement; and (iv) all costs and expenses of collecting the foregoing, or in preserving, protecting or realizing upon the Collateral, including attorneys' fees, court costs and other legal expenses.

(i) "SECURED PARTY" shall mean and refer to each of Acxiom, PC411 and Eaker, and their respective successors in interest, heirs and assigns.

(j) "STOCK PURCHASE AGREEMENT" shall mean that certain Stock Purchase Agreement dated as of October 31, 1998 by and among Acxiom, PC411 and Debtor.

(k) "SHAREHOLDERS AGREEMENT" shall mean that certain Shareholders Agreement executed of even date herewith by and among all of the common stockholders and preferred stockholders of Debtor, including but not limited to each of the Secured Parties.

(l) "UCC" shall mean and refer to the Uniform Commercial Code, as amended, in effect under the laws of the State of Connecticut.

(m) "VOTING AGREEMENT" shall mean that certain Voting Agreement executed on October 31, 1998 by and among Debtor, Secured Parties and Key Employees.

2. CONDITIONS PRECEDENT TO ADVANCES. Each Secured Party agrees and commits to advance its proportionate share of the Loan to Debtor as set forth herein and in the Promissory Notes when and for so long as Debtor is in compliance with each of the following conditions precedent to advances ("CONDITIONS TO ADVANCES"):

(a) Debtor continues to conform to and meet the goals and objectives of the approved business plan, a copy of which is attached hereto as Exhibit A (hereinafter the "Business Plan");

(b) No Key Employee of Debtor is in breach under his respective employment agreement with Debtor;

(c) Unless otherwise agreed to in writing by Secured Party, all Key Employees of Debtor are still employed by Debtor;

(d) There then exists no material adverse change in the business or financial condition of Debtor;

(e) There then exists no breach of or default by Debtor under this Agreement, the Voting Agreement, the Shareholders Agreement, the Stock Purchase Agreement or any other agreements by and between the parties relating to this transaction;

(f) Debtor has, with each request for an advance, advised Acxiom, as agent for the Secured Parties, of the purpose(s) for which the Loan proceeds are to be used, Acxiom has, in its sole discretion, approved of such use of Loan proceeds, and the prior proceeds of the Loan have to date been used for no other purpose than those previously approved by Acxiom;

(g) Debtor has good title to the Collateral free and clear of all liens and other security interests, and has possession of the Equipment and other tangible Collateral and holds all Accounts, including books and records pertaining thereto, Inventory and other Collateral, or evidence of Intellectual

Property and other intangible Collateral at the addresses set forth on Exhibit C or at such other addresses that Debtor has notified Secured Party in writing;

(h) Debtor's representations and warranties in this Agreement are true and correct on the date of each request for an advance; and

(i) Debtor has executed and delivered such agreements, documents and instruments as may be reasonably requested by Secured Parties.

3. ORDER OF LOAN ADVANCEMENT. Each Secured Party shall advance funds as provided in the Promissory Notes, in the following order of advancement ("ORDER OF ADVANCEMENT"):

(a) The initial four hundred thousand dollars ($400,000) shall be funded equally and simultaneously by Acxiom and PC411, with each party agreeing to advance fifty percent (50%) of each request for an advance until such time as both parties have each advanced two hundred thousand dollars ($200,000.00).

(b) After the first $400,000 has been funded as provided in Section 3(a), the remaining four hundred thousand dollars ($400,000) shall be funded equally and simultaneously by Acxiom and Eaker, with each party agreeing to advance fifty percent (50%) of each request for an advance until such time as both parties have each advanced two hundred thousand dollars ($200,000.00).

Each Secured Party hereby agrees to advance such funds to Debtor subject to the Conditions to Advances set forth in Section 2 hereof.

4. APPLICATION OF PAYMENTS. All payments on the Loan shall be made and applied according to and consistently with the Order of Advancement of such funds, with all payments on the Loan being applied first, 50/50, to funds advanced by Acxiom and PC411 pursuant to Section 3(a) hereof, and after said funds have been repaid in full, all payments on the Loan shall be applied, 50/50, to funds advanced by Acxiom and Eaker pursuant to Section 3(b) hereof.

5. GRANT OF SECURITY INTEREST. As security for the full and timely payment of all of the Loan and the Secured Debt, Debtor hereby assigns and grants to Acxiom, its successors in interest and assigns, as agent for all Secured Parties including itself ("AGENT"), a continuing first priority lien and security interest in and to all of Debtor's right, title and interest in and to the Collateral; TO HAVE AND TO HOLD unto Agent, forever, or until the full payment, discharge and satisfaction of all of the Promissory Notes and other outstanding Secured Debt and termination of this Agreement of record by Agent. In addition to the rights and remedies set forth herein, Agent shall have all of the rights and remedies of a secured party under the UCC.

6. REPRESENTATIONS AND WARRANTIES OF DEBTOR. Debtor hereby represents and warrants to each Secured Party as follows:

(a) ORGANIZATION AND GOOD STANDING. Debtor is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware with full power and authority to execute, deliver and perform its agreements and obligations under this Agreement and to own and operate its properties and to carry on its business as presently conducted and anticipated. On the date of any advance of funds pursuant to this Agreement, Debtor shall be duly qualified as a foreign corporation to transact business, and shall be in good standing in every state or other jurisdiction where the character of its properties owned and leased, or the nature of its activities makes such qualification necessary under applicable law.

(b) AUTHORITY. Debtor has the requisite power and authority to enter into this Agreement and to execute and deliver the Promissory Notes, and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the

respective Promissory Notes by Debtor have been duly authorized by all necessary action on the part of Debtor and its shareholders, and no other proceedings on the part of Debtor are necessary to authorize the execution, delivery and performance of this Agreement or the Promissory Notes or the other agreements or contracts related hereto.

(c) VALIDITY. This Agreement and the Promissory Notes have been duly executed and delivered by Debtor and constitute the legal, valid, and binding obligations of Debtor, enforceable against Debtor in accordance with their respective terms.

(d) NO VIOLATIONS. Neither the execution, delivery or performance of this Agreement or the Promissory Notes, nor the compliance by Debtor with any of the provisions hereof or thereof, (i) violate, conflict with, or constitute a breach or default under (or an event which, with notice, lapse of time or both, would constitute a breach or default), or give rise to any right of termination or acceleration, or result in the creation of any lien, security interest, charge or encumbrance upon any property of Debtor (other than in favor of each Secured Party), under Debtor's Certificate of Incorporation, Bylaws, or other agreement, document, note, mortgage, indenture, deed of trust, license, agreement or other instrument or obligation to which Debtor is a party or by which it or any of its property may be bound or subject, or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Debtor or any of its property.

(e) NO CONSENT. No notice to, filing with, or authorization, consent or approval of any governmental agency or other third party is necessary or required in connection with the execution, delivery or performance of this Agreement or the respective Promissory Notes by Debtor, other than the filing of customary UCC financing statements in such states where Debtor's property is located, and any other filings necessary to perfect the security interest in Collateral which is not covered by the UCC:

(f) TITLE. Except for the security interest granted to Agent hereunder, Debtor is the sole owner of the Collateral and has good, valid and marketable title thereto, free and clear of any and all liens, security interests, claims, encumbrances and adverse rights or interests whatsoever. Debtor has not executed any financing statement that remains in effect with respect to all or any portion of the Collateral save and except the financing statements executed in favor of Agent in connection with this Agreement.

(g) FIRST PRIORITY SECURITY INTEREST. The security interest granted to Agent hereunder constitutes a valid and continuing first priority lien and security interest in the Collateral in favor of Agent.

(h) DEBTOR'S NAME AND ADDRESS. Debtor's current exact name, and the address of its principal place of business and chief executive office, are as set forth in the introductory paragraph of this Agreement. Debtor does not transact business under any other name other than "PC411" or at any other address. Debtor agrees to give each Secured Party prior written notice of any change in Debtor's name and/or address or any additional names

under which Debtor intends to transact business.

(i) POSSESSION AND LOCATION OF THE COLLATERAL. The Collateral is and shall remain in the exclusive possession and control of Debtor at its business addresses referenced on Exhibit C, and except for the relocation of the portion of the Collateral located in California to Connecticut and except in the ordinary course of business, Debtor shall not transfer possession of or relocate all or any portion of the Collateral without each Secured Party's prior written consent, which shall not be unreasonably withheld or delayed.

(j) LITIGATION. There is no litigation, action, suit, proceeding, claim or investigation pending, or to the knowledge of Debtor threatened, against Debtor or with respect to all or any portion of the Collateral.

(k) NO DEFAULTS. Debtor is not in breach or default (and no event has occurred which with notice, lapse of time or both would constitute a breach or default) under any note, mortgage, indenture, deed of trust, license, agreement or other instrument to which Debtor is a party or is otherwise bound or with respect to any judgment, ruling, order, writ, injunction or decree of any court or governmental authority applicable to Debtor or its property.

(l) TAX RETURNS. Debtor has timely and properly filed all tax returns and reports required by applicable law to be filed with the appropriate governmental agencies and has paid all taxes required to be shown as due and payable on such returns and reports and has timely paid all tax assessments made against it by any governmental authority with respect to its assets, properties, income or business.

(m) BOOKS AND RECORDS. All books, records and documents relating to the Collateral are and shall continue to be true, correct, complete and genuine in all material respects, and are and shall be kept and maintained at the address set forth in the introductory paragraph of this Agreement. Debtor agrees to give each Secured Party prior written notice of any change in the address at which Debtor intends to keep and maintain its books and records.

7. DEBTOR'S COVENANTS.

(a) AFFIRMATIVE COVENANTS. Debtor covenants and agrees with each Secured Party that so long as this Agreement is in effect, Debtor will perform and observe each of the following covenants:

(i) Debtor will timely pay all amounts due and payable under the respective Promissory Notes pursuant to the terms thereof.

(ii) Debtor will preserve and maintain the tangible Collateral in good working order, condition and repair, ordinary wear and tear excepted, and will replace any worn out or obsolete tangible Collateral with suitable replacement tangible Collateral of at least equal value and function to the extent Secured Party deems such Collateral necessary for Debtor to continue its business.

(iii) Debtor will provide to each Secured Party from time to time, upon request, a listing of the Collateral specifying the physical location and the current condition of each item thereof and permit each Secured Party to inspect the Collateral upon reasonable notice during normal business hours.

(iv) Debtor will diligently defend the Collateral against any and all claims and demands whatsoever which are adverse to the interest of Debtor or any Secured Party.

(v) Debtor will furnish to each Secured Party from

time to time, upon request, all books and records and other information concerning the Collateral and will allow each Secured Party or its agents to inspect and copy, or will furnish each Secured Party with copies of, all such books and records and other information pertaining to the Collateral.

(vi) Debtor will execute and deliver to Agent, promptly upon request, appropriate UCC financing statements in customary recordable form necessary to properly perfect the security interest granted hereby.

(vii) Upon request of each Secured Party, Debtor will promptly execute and deliver to Agent, with a copy to each Secured Party, any and all such further instruments and documents and shall take such further action requested by each Secured Party as may be necessary or desirable in the reasonable judgment of each Secured Party to retain, maintain and perfect the first priority perfected security interest granted herein.

(viii) Debtor will use the Collateral only in connection with its business, and for no other purpose, without the prior written consent of each Secured Party.

(ix) Debtor will promptly notify each Secured Party of any material change in any fact or circumstance warranted or represented by Debtor in this Agreement or if any Event of Default (as hereinafter defined) occurs.

(x) Unless otherwise permitted by the Debtor's Board of Directors in writing, Debtor will insure the tangible Collateral at its expense, and will maintain with sound and reputable insurance companies reasonably satisfactory to each Secured Party, insurance policies with respect to all of such insurable Collateral against risk of fire, storm, theft, vandalism and other customary insurable casualties in an amount equal to the full insurable fair market value thereof. Such insurance shall be payable to Agent and Debtor as their interests may appear, and all policies of insurance shall provide for prior notice to each Secured Party of any cancellation. Upon execution of this Agreement, and prior to the expiration date of any such policy of insurance, Debtor shall furnish to each Secured Party a certificate or other evidence satisfactory to each Secured Party verifying that the foregoing insurance is in full force and effect. In case of loss, Agent shall be entitled to receive the insurance proceeds and apply them according to the Application of Payments terms set forth in Section 4 above; provided, however,

if an Event of Default (as hereinafter defined) has not occurred, the insurance proceeds may be applied by Debtor to the replacement and repair of the Collateral in a manner reasonably acceptable to each Secured Party. Debtor hereby authorizes Agent, after an Event of Default has occurred, to act as Debtor's attorney-in-fact and agent for purposes of settling any claims in connection with said insurance and to endorse any check or draft in connection therewith for and on behalf of Debtor for the purpose of protecting the Secured Parties' security interest in the Collateral and the full and timely payment of all of the Secured Debt.

(xi) Debtor will promptly pay when due all taxes assessed on or with respect to the Collateral and will timely and properly file all tax returns and reports required by applicable law to be filed by Debtor with the appropriate governmental agency and will pay all taxes required to be paid by Debtor as and when due, along with all assessments made against Debtor or the Collateral by any governmental authority.

(xii) Debtor will maintain its existence, in good standing, in the jurisdiction of its organization, and in each other

jurisdiction in which Debtor is required by applicable law to be qualified as a foreign corporation.

(xiii) Unless otherwise agreed by each of the Secured Parties in writing, Debtor will furnish to each Secured Party within thirty (30) days after the close of each calendar month, copies of Debtor's unaudited profit and loss statement for the month then ended along with its balance sheet as of the close of such calendar month, all prepared in accordance with generally accepted accounting principles, consistently applied. Within sixty (60) days after the close of each fiscal year, Debtor will furnish each Secured Party with copies of its audited financial statements, all prepared in accordance with generally accepted accounting principles consistently applied.

(xvi) Debtor will maintain good and reliable records, in accordance with prudent business practices, with respect to its Accounts, and will furnish to each Secured Party, upon request, a reconciliation of all Accounts, including an aging of the Accounts, and such other information as each Secured Party may reasonably request. Debtor agrees to stamp, in a form and manner reasonably satisfactory to each Secured Party, Debtor's Accounts ledger and other books and records pertaining to the Accounts, with an appropriate reference to the fact that the Accounts and the proceeds thereof have been assigned as collateral to Agent.

(b) NEGATIVE COVENANTS. Debtor further covenants and agrees with each Secured Party that so long as this Agreement is in effect, Debtor will not, without the prior written consent of each Secured Party:

(i) sell, pledge, lease, license, encumber, transfer, hypothecate or otherwise dispose of all or any portion of the Collateral, except for fair value in the ordinary course of business or Collateral which has been disposed of because it is obsolete or damaged;

(ii) sign or file, or authorize the signing or filing of, any document or

instrument creating or perfecting any other security interest or lien in all or any portion of the Collateral except in favor of Agent as required hereby and except for the Loan and Security Agreement, dated of the date hereof between Debtor and Acxiom, and any documents and instruments executed in connection therewith;

(iii) use or permit the Collateral to be used in any manner which could create waste or constitute a violation of any applicable statute, rule, regulation, ordinance or order applicable to Debtor or the Collateral;

(iv) consummate or enter into any agreement to consummate any merger or consolidation or acquisition of all or any substantial part of the assets of any Person;

(v) sell, license, lease or otherwise transfer or dispose of all or substantially all of its assets;

(vi) except for the endorsement of checks for collection in the ordinary course of business, incur, assume, guarantee, endorse, purchase, or otherwise become or remain liable with respect to any indebtedness, obligation or other liability of any other Person, including without limitation, any officer or owner of Debtor or any affiliate thereof;

(vii) declare any dividends on, or make any payment or distribution with respect to any ownership interest in Debtor, or in connection with the purchase, redemption or other acquisition of any capital or other ownership interest of Debtor or make any other distribution in respect thereof, directly or indirectly, in cash or property, except as permitted by the Bylaws and in a manner which would not individually or in the aggregate likely impair the ability of Debtor to satisfy in full all of the Secured Debt;

(viii) release or terminate any rights of material value; or

(ix) otherwise take or omit to take any action which would cause Debtor to be unable to pay in full the Secured Debt in accordance with the terms of the Promissory Notes.

8. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an "EVENT OF DEFAULT" hereunder:

(a) nonpayment of any portion of the principal or interest under any of the Promissory Notes within ten (10) days after the due date thereof;

(b) the occurrence of any other event which would permit a holder of any Promissory Note to accelerate payment thereof;

(c) the breach by Debtor of any representation, warranty, covenant or other agreement contained herein or in any certificate, report or other document delivered by Debtor to

any Secured Party pursuant to this Agreement and failure to cure same to the reasonable satisfaction of each Secured Party within ten (10) days after written notice thereof;

(d) any other material debt or obligation of Debtor becoming or being declared due and payable prior to the express maturity thereof or not having have been paid as and when due, unless Debtor is contesting such liability in good faith by appropriate proceedings;

(e) Debtor (i) suspending or discontinuing its business, (ii) making an assignment for the benefit of creditors, (iii) generally not paying its debts as such they become due, (iv) admitting in writing an inability to pay its debts as they become due, (v) filing a voluntary petition in bankruptcy, (vi) becoming insolvent, (vii) filing any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment of its debts or for liquidation, dissolution or other similar relief, (viii) petitioning or applying to any court for any receiver, custodian, or trustee for all or substantially all of its assets or be the subject of any such proceeding filed against it, (ix) filing an answer admitting or not contesting the material allegations of any such petition filed against it or any order, judgment, or decree approving such petition in any such proceeding, (x) seeking, approving, consenting to, or acquiescing in any such proceeding for the appointment of any such trustee, receiver, custodian, liquidator or agent for it or any substantial part of its property or if an order is entered appointing any such trustee, receiver, custodian, liquidator or agent, or (xi) taking any formal action for the purpose of effectuating any of the foregoing;

(f) an order for relief being entered under the United States Bankruptcy laws or if any other decree or order is entered by a court having jurisdiction (i) adjudging Debtor a bankrupt or insolvent, (ii) approving as

properly filed a petition seeking reorganization, liquidation, arrangement, adjustment or composition of Debtor or its property under the United States bankruptcy laws or any other applicable federal or state law, (iii) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for the Debtor or for any substantial part of Debtor's property, or (iv) ordering the winding up or liquidation of the affairs of Debtor;

(g) any judgment or decree against Debtor remaining unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of ten (10) days or more; or

(h) any other event or circumstance which causes any Secured Party to reasonably believe that the prospect for payment of all of the Secured Debt is impaired and because of which any Secured Party reasonably declares itself insecure.

9. RIGHTS OF SECURED PARTIES AND AGENT UPON THE OCCURRENCE OF AN EVENT OF DEFAULT.

(a) Upon the occurrence of an Event of Default, and at any time thereafter, any Secured Party may, at its option, declare the Promissory Note payable to it and any other then outstanding Secured Debt owed to it immediately due and payable notwithstanding any of the terms thereof (in which event all the Promissory Notes shall simultaneously therewith become due and payable), whereupon Agent may exercise any rights and remedies available to it or any Secured Party under this Agreement, under the UCC, or otherwise available at law or in equity, including, without limitation, the right to enter upon any of the premises of Debtor, with or without process of law, and take immediate possession of and remove the Collateral or any part thereof and collect and receive all income, revenues, payments and proceeds therefrom, and to exercise all of Debtor's rights with respect thereto. Upon the occurrence of an Event of Default, and at any time thereafter, Debtor shall, upon Agent's request, assemble the Collateral (and all books, records and documents relating thereto) and make such items available to Agent at a place designated by Agent which is reasonably convenient to both parties. Without removal, Agent may render any Equipment or other tangible Collateral unusable and may dispose of such Equipment or other tangible Collateral at Debtor's business premises as provided under the UCC.

(b) Upon the occurrence of an Event of Default, and at any time thereafter, Agent may, at its option, sell, lease, license or otherwise dispose of all or any portion of the Collateral (and/or exercise any of Debtor's rights with respect thereto) in any commercially reasonable manner. Disposition of the Collateral may be made by any one or more public or private proceedings upon any one or more contracts. Any such sale or disposition may be made in whole, in part, in units, or in parcels, and at any time and place reasonably designated by Agent. Any such sale or disposition may be for cash, upon credit, or upon such other terms and conditions as Agent may reasonably determine.

(c) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, reasonable notification of the time and place of any public sale or reasonable notification of the time after which any private sale or other intended disposition is to be made shall be sent by Agent to Debtor unless Debtor after the occurrence of an Event of Default shall have signed a statement renouncing or modifying its right to notification of sale. The requirements of a reasonable notice hereunder shall be met if such notice is mailed by ordinary mail, postage prepaid, addressed to Debtor at its business address described herein, at least ten (10) days before the time of such sale or disposition.

(d) The Secured Parties, individually or through their Agent,

shall have the right to buy all or any portion of the Collateral at any public sale and if the Collateral is of the type customarily sold in a recognized market or is of a type which is the subject of widely distributed price quotations, the Secured Parties may purchase all or any part of the Collateral at any private sale.

(e) Debtor acknowledges that when all or any portion of the Collateral is disposed of by Agent after the occurrence of an Event of Default, such disposition shall transfer to any purchaser for value all of Debtor's rights and interests therein and any such purchaser shall take free of all rights and interests of Debtor in such property.

(f) Upon the occurrence of an Event of Default, and at any time thereafter, Agent shall have the right to notify persons obligated to Debtor on any accounts to make payment thereof directly to Agent and Agent may take control of all the proceeds of the accounts. After the occurrence of an Event of Default, Debtor will not, without the prior written consent of the Secured Parties, grant any extension of the time for payment of any of the accounts receivable, compromise or settle any accounts receivable for less than the full amount thereof, or release wholly or partly any person liable for the payment thereof or allow any credit or discount whatsoever thereon.

10. APPLICATION OF PROCEEDS AND DEFICIENCY. The proceeds of any disposition of all or any portion of the Collateral shall be applied in the following order:

(a) First, to the payment of all reasonable expenses of retaking, holding, preparing the Collateral for sale, lease or license, and selling, leasing, licensing or otherwise disposing of the Collateral, including without limitation reasonable attorney's fees and other reasonable costs incurred by Agent in connection therewith;

(b) Second, to the full and complete satisfaction and payment of the Promissory Notes and all other then outstanding Secured Debt, according to the Order of Advancement made by the respective Secured Parties;

(c) Third, to the satisfaction of any indebtedness secured by any subordinate security interest in the Collateral if written notification of demand therefor is received by Agent before distribution of the proceeds is completed; and

(d) Fourth, any surplus shall be remitted by Agent to Debtor within thirty (30) days after payment of all of the foregoing. In the event there is a surplus and any other person makes a claim to the surplus amount, Agent may hold said sum (without liability for interest or otherwise) or institute an interpleader action and deposit said sum with an appropriate court of competent jurisdiction until such time as the rights in such surplus are fully and finally determined by a final nonappealable decision of a court of competent jurisdiction or by agreement of all interested parties.

To the extent the proceeds from the disposition of the Collateral are insufficient to satisfy items 10(a) and (b) above, Debtor shall remain liable to each Secured Party for the payment of such deficiency, with interest equal to the greater of (i) the interest rate on the Promissory Note in question and (ii) ten percent (10%) per annum.

11. POWER OF ATTORNEY. Debtor hereby makes, constitutes and appoints Agent as its

true and lawful agent and attorney in fact, with full power of substitution, and in Debtor's name, place and stead after the occurrence of an Event of Default (i) to collect, pursue collection of, and receive payment for any and all income, proceeds or payments with respect to any Collateral and to exercise any and all of Debtor's rights relating thereto; (ii) to endorse the name of Debtor upon any notes, checks, acceptances, drafts, money orders, instruments or other documents relating to the Collateral, or the income, proceeds or payments with respect thereto, (iii) to exercise, waive, sue for, settle, adjust, or compromise any claims or rights with respect to the Collateral; and (iv) to take any action in the name and on behalf of Debtor to fulfill any representation, warranty, covenant or agreement of Debtor contained herein or as may be necessary or appropriate to carry out the purposes and intent of this Agreement and to perfect and protect Agent's security interest in the Collateral and its rights therein. Debtor agrees that neither Agent, any other Secured Party, nor any of their agents, designees, officers or employees will be liable for any acts of commission or omission, or for any error of judgment or mistake of facts or law with respect to the exercise of said power of attorney save and except fraud, gross misconduct, or a knowing violation of law. The power of attorney granted herein is coupled with an interest and shall be irrevocable during the term of this Agreement.

12. DURATION. This Agreement shall continue in full force and effect, and the security interest granted hereby and the representations, warranties, covenants and obligations of Debtor hereunder and all the terms, conditions and provisions hereof shall continue to be fully operative until the latest of (i) the time when Debtor shall have fully paid and discharged all sums due and payable pursuant to the Promissory Notes and any other outstanding Secured Debt, (ii) the receipt of at least $1,250,000 of additional capital through the sale of the Debtor's Preferred Stock to one or more investors at a price of at least $1,000 per share, or (iii) Agent shall release the security interests of record by recording a UCC termination statement in all offices where UCC financing statements were filed to perfect same. Debtor agrees that to the extent a payment or payments to Agent or any Secured Party is subsequently invalidated, set aside or otherwise required to be repaid, the obligation or part thereof intended to be satisfied, this Agreement and the security interest in the Collateral granted to Agent hereby, shall be revived and continued in full force and effect as if said payment had not been made and as if there had been no termination of this Agreement.

13. MISCELLANEOUS.

(a) ASSIGNMENT. This Agreement and the rights, obligations and duties of Debtor hereunder shall not be assignable or otherwise transferable by Debtor.

(b) FEES OF LEGAL COUNSEL. In the event any of the Secured Parties shall employ legal counsel to protect its rights hereunder or to enforce any term or provision hereof or to protect its interest in the Collateral, such attorney's fees and other legal expenses shall become part of the Secured Debt and shall be payable by Debtor to each Secured Party upon demand, with interest from the date of demand until paid at the rate of ten percent (10%) per annum.

(c) FURTHER ASSURANCES. Debtor agrees that from time to time hereafter, upon

request, it will execute, acknowledge and deliver such other instruments and documents and take such further action as may be reasonably necessary to carry out the intent of this Agreement.

(d) MODIFICATION. No term or provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

(e) BINDING EFFECT AND BENEFIT. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto, their successors in interest and permitted assigns.

(f) HEADINGS AND CAPTIONS. Subject headings and captions are included for convenience purposes only and shall not affect the interpretation of this Agreement.

(g) NOTICE. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, (iii) mailed by certified or registered mail, postage prepaid, return receipt requested or (iv) sent by facsimile transmission as follows:

If to Debtor, addressed or delivered in person to:

Digital Asset Management, Inc.
67 Stonehedge Drive
Greenwich, CT 06831
Attn: Dean Eaker, President
Fax: 203-531-4249

With a copy to:

Kronish, Lieb, Weiner & Hellman, LLP
1114 Avenue of the Americas
New York, NY 10036-7798
Attn: Chet F. Lipton, Esq.
Fax: 212-479-6275

If to Agent or any Secured Party, addressed or delivered in person to:

Acxiom Corporation
301 Industrial Boulevard
P.O. Box 2000
Conway, AR 72033-2000
Attn: Mark Theilken, Group Leader
Fax: 501-336-3910

With a copy to:

Friday, Eldredge & Clark
2000 First Commercial Building

400 West Capitol Avenue
Little Rock, Arkansas 72201
Attention: Carla G. Spainhour, Esq.
Fax: 501-376-2147

and

PC411, Inc.
100 SE Second Street, 32nd Floor
Miami, FL 33131
Attn: J. Bryant Kirkland III
Vice President and Chief Financial Officer
Fax: 305-579-8022

With a copy to:

Morse, Zelnick, Rose & Lander
450 Park Ave.
New York, NY 10022-2605
Attn: Joel J. Goldschmidt, Esq.
Fax: 212-838-9190

and

Dean Eaker
67 Stonehedge Drive
Greenwich, CT 06831
Fax: 203-531-4249

With a copy to:

Kronish, Lieb, Weiner & Hellman, LLP
1114 Avenue of the Americas
New York, NY 10036-7798
Attn: Chet F. Lipton, Esq.
Fax: 212-479-6275

or to such other address as any party may designate by like notice.

Any such notice or communication, if given or made by prepaid, registered or certified mail or by recorded express delivery, shall be deemed to have been made when actually received, but not later than three (3) business days after the same was properly posted or given to such express delivery service, and if made properly by facsimile transmission such notice or communication shall be deemed to have been made at the time of dispatch.

(h) SEVERABILITY. If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions herein, which shall remain effective, and to this end this Agreement is declared to be severable.

(i) TIME FOR PERFORMANCE. Time is of the essence in this Agreement.

(j) WAIVER. No waiver of a default, breach or other violation of any provision of this Agreement shall operate or be construed as a waiver of any subsequent default, breach or other violation or limit or restrict any right or remedy otherwise available. No delay or omission on the part of Agent or any Secured Party to exercise any right or power arising by reason of a default shall impair any such right or power or prevent its exercise at any time during

the continuance of such default.

(k) RIGHTS AND REMEDIES CUMULATIVE. The rights and remedies of each Secured Party expressed herein are cumulative and not exclusive of any rights and remedies otherwise available.

(l) GENDER AND PRONOUNS. Throughout this Agreement, the masculine shall include the feminine and neuter and the singular shall include the plural and vice versa as the context requires.

(m) ENTIRE AGREEMENT. This Agreement, the Promissory Notes, and the other agreements and documents herein referenced constitute the entire agreement of the parties and supersede any and all other prior agreements, oral or written, with respect to the subject matter contained herein.

(n) GOVERNING LAW. This Agreement shall be subject to and governed by the laws of the State of Connecticut.

(o) INCORPORATION BY REFERENCE. All exhibits and documents referred to in this Agreement shall be deemed incorporated herein by any reference thereto as if fully set out.

(p) COUNTERPARTS. This Agreement may be executed in one or more counterparts (all counterparts together reflecting the signature of all parties) each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

(q) AUTHORITY. Each individual signing this Agreement in a representative capacity acknowledges and represents that he/she is duly authorized to execute this Agreement in

such capacity in the name of, and on behalf of, the designated corporation, partnership, limited liability company, or other entity.

(r) DEBTOR'S FAILURE TO PAY COSTS OR EXPENSES. If Debtor fails to pay any cost or expense required hereunder to be paid by Debtor, (including, without limitation, insurance and taxes) any Secured Party may, at its option, pay such cost or expense on behalf of Debtor, and in such event the amount so paid by that Secured Party shall become part of that Secured Party's Secured Debt hereunder and shall be payable by Debtor to that Secured Party upon demand, with interest at the rate of ten percent (10%) per annum until paid.

14. OPINION OF COUNSEL. As a condition to each Secured Party's obligation to fund the Loan contemplated hereby, Debtor shall deliver to each Secured Party opinions from legal counsel in a form substantially similar to that attached hereto as Exhibits A and B, respectively.

15.1 APPOINTMENT, POWERS AND IMMUNITIES. Each Secured Party hereby irrevocably appoints and authorizes Agent to act as its agent with respect to the Collateral, with such powers as are specifically delegated to the Agent by the terms of this Agreement together with such other powers as are reasonably incidental thereto. The Agent shall have no duties or responsibilities or authority except those expressly set forth in this Agreement and shall not be a trustee for the Secured Parties or otherwise owe a fiduciary duty to the other Secured Parties. The Agent shall not be responsible to Secured Parties for any recitals, statements, representations or warranties contained in this Agreement, the Notes, or any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document referred to or provided for herein or for

the collectibility of the Loans or for the validity or effectiveness of any assignment, mortgage, pledge, security agreement, financing statement, document or instrument, or for the filing, recording, re-filing, continuing or re-recording of any document or for any failure by Debtor to perform any of its agreements, covenants or obligations hereunder. Agent may, employ agents and attorneys-in-fact and shall not be answerable, except as to money or securities received by it or its authorized agents in exchange for Collateral, for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither Agent nor any of its directors, officers, employees or agents shall be responsible to Secured Parties for any action taken or omitted to be taken by it or them hereunder in connection herewith or therewith, except for its or their own gross negligence or willful misconduct.

15.2 RELIANCE BY AGENT. Except to the extent that such reliance constitutes gross negligence or willful misconduct, Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telecopier, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by Agent. As to any matters not expressly provided by this Agreement or the other instruments and agreements executed in connection with the Loan, Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with written instructions signed by the Secured Parties.

15.3 EVENTS OF DEFAULT. Agent shall not be deemed to have knowledge of the occurrence of a Default or an Event of Default unless Agent has itself issued a notice, or has received notice from Debtor or a Secured Party specifying such Default or Event of Default and stating that such notice is a "Notice of Default". In the event that Agent receives such a notice, Agent shall provide the Secured Parties with prior written notice of any actions or omissions proposed to be taken by Agent with respect thereto, unless the giving of such notice is impracticable for reasons of safety or preservation of Collateral. The foregoing notwithstanding, Agent and each of the Secured Parties hereby agrees to share with one another any and all material information regarding Debtor which may come into the possession of Agent or any Secured Party from time to time, provided that neither Agent nor the Secured Parties shall be under any duty or obligation to provide any analysis of any such information so provided, or to determine therefrom whether a Default or an Event of Default has occurred.

15.4 WAIVERS; AMENDMENTS; EVENT OF DEFAULT.

(a) Upon the giving or receipt of any Notice of Default required under Section 15.3 above, Agent, for itself and on behalf of each Secured Party, shall (subject to the provisions of this Section 15) take such action or actions, assert such rights, exercise such remedies, or refrain from taking such actions with respect thereto, as Agent shall deem advisable, including, without limitation, (i) the institution of suit, and/or the commencement of foreclosure proceedings in respect of the Collateral or (ii) the waiving of any Default(s) or Event(s) of Default.

(b) Each of the Secured Parties shall, at all times, act in good faith to mutually agree upon actions to be taken in respect of the Collateral. In the event and to the extent that Agent receives conflicting instructions as to any action to be taken, Agent shall use its good faith judgment to determine and implement those specific actions requested by Secured Parties.

(c) Except as otherwise specified in this Section 15, Agent shall, and shall be permitted in its discretion to, enforce the provisions, rights and remedies pursuant to this Agreement in a manner consistent herewith and therewith and in Agent's good faith judgment.

(d) Nothing contained in this Section 15 shall be deemed to grant to Debtor any indulgence or grace period in respect of any of its covenants or obligations under this Agreement (or any right to expect or receive any such indulgence or grace period), except as otherwise specifically provided in other Sections of this Agreement. Nothing contained in this Section 15 shall be deemed to prohibit or impair Agent, regardless of the lack of any requisite consents of Secured Parties, from taking action in respect of any of the Collateral if same are perishable or threaten to decline speedily in value.

15.5 AGENT'S RIGHTS AS A SECURED PARTY. With respect to the Loan made by it, Agent in its capacity as a Secured Party hereunder shall have the same rights and powers hereunder as any other Secured Party, and may exercise the same as though it were not acting as Agent, and the term "Secured Party" or "Secured Parties" shall, unless the context otherwise indicates, include the Agent in its individual capacity.

15.6 SUCCESSOR AGENT. Agent (a) may resign at any time by giving thirty (30) days' written notice thereof to Secured Parties and Debtor, and (b) shall be deemed to have resigned upon any bankruptcy, insolvency or receivership of Agent; provided, that any such resignation shall be effective at the time specified below. Upon any such resignation, PC411 is hereby appointed successor agent. If PC411 does not wish to serve as successor agent, then Agent may, on behalf of the Secured Parties, appoint a successor agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $50,000,000. Upon the acceptance of its appointment as a successor agent, such successor agent shall thereupon succeed to and become vested with all the rights and duties of Agent, and Agent shall be discharged from its duties and obligations hereunder. After Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent. The provisions of this Section 15.6 shall apply with respect to the successor agents and its successors.

15.7 SEVERAL LIABILITY OF SECURED PARTIES; FAILURE TO LEND.

(a) No Secured Party shall incur or assume any liability or obligation to Debtor by reason of any other Secured Party failing or refusing to make Advances or otherwise lend the amounts required by this Agreement; it being understood and agreed that all obligations of each Secured Party to make the Loan are several, and not joint and several.

(b) In the event and to the extent that any Secured Party shall, for any reason or no reason, fail or refuse to make its pro rata portion of the Advances otherwise required to be made hereunder, then the other Secured Parties may (but shall not be obligated to) make such Advances on behalf of the defaulting Secured Party; in which event such non-defaulting Secured Party may be reimbursed for any such Advances so made on behalf of the defaulting Secured Party out of the defaulting Secured Party's otherwise applicable share of the initial proceeds of all payments and collections received from Debtor or out of the initial net proceeds received from the sale or liquidation of any Collateral hereunder in the event of a foreclosure thereof.

15.8 SHARING AND REMITTANCE OF PAYMENTS AND COLLATERAL.

(a) All collections received by Agent or any Secured Party in respect of Debtor shall be applied in accordance with this Agreement, and all collections applied to Advances and/or interest thereon or fees in respect thereof shall be allocated ratably among the Secured Parties in proportion to their relative interests in the Loan, but only in the Order of Advancement set forth in Section 3 hereof and in accordance with the terms of the Notes, by wire transfer of same-day Federal Reserve Funds for all fees, interest payments and other amounts payable to the Secured Parties under this Agreement, including amounts payable in respect of the principal amounts of, and accrued interest on, the Loan. If requested by Agent, each Secured Party shall, promptly following receipt of each payment under this Section 15.8(a), confirm its receipt by a written acknowledgment telecopied to the Agent.

(b) If and to the extent that any payment received by any Secured Party in respect of the Loan (whether principal, interest or otherwise) shall be rescinded or must otherwise be returned for any lawful reason, then each of the Secured Parties who received payment shall, upon notice thereof, remit its proportionate share of the amount(s) so rescinded or returned.

(c) Except for any prepayments made by Debtor while no other obligations shall be then due and payable (which prepayments shall be applied to the Loan in the manner directed by Debtor), and any other payments received at any time when no other obligations shall be then due and payable (which payments shall be applied in reduction of the outstanding Advances), all payments received by Agent or any Secured Party from Debtor shall be applied and disbursed by Agent to the Secured Party, ratably in proportion to their relative interests therein, in accordance with the terms of this Agreement the Notes.

The foregoing notwithstanding, Agent shall be entitled, prior to any application of payments hereunder, to receive reimbursement out of such payments for any previously unreimbursed reasonable costs and expenses incurred by Agent pursuant to this Agreement.

(d) To the extent of any payments made by Debtor to Agent, Debtor shall be entitled to presume that such payments have effectively been made to Secured Parties under this Agreement, and Debtor shall have no liability to any Secured Party with respect to any payments misapplied, misappropriated, or otherwise improperly disbursed or not disbursed by Agent.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year aforesaid.

DEBTOR:

DIGITAL ASSET MANAGEMENT, INC.

By: /s/ Dean Eaker

Dean Eaker, President

SECURED PARTIES:

ACXIOM CORPORATION

By: /s/ Mark Theilken

Mark Theilken, Group Leader

Title:

PC411, INC.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III, Vice President and
Chief Financial Officer

/s/ Dean Eaker

Dean Eaker, Individually

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<DEPRECIATION> 148,016
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<CURRENT-LIABILITIES> 218,545
<BONDS> 0
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<OTHER-SE> 3,312,553
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<SALES> 71,977
<TOTAL-REVENUES> 0
<CGS> 298,622
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<CHANGES> 0
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