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Business Abstract and Pitch

Executive Summary

The cost of justice throughout the world is simply mind-boggling. By itself and as an example, the State of Minnesota (a mid-sized, mid-western state in the United States with a population of 5.2 million¹) spends 303 million (USD) annually on court administration². The courts and justice system at-large obviously need to exist in any society based on the rule of law, but at this point, the administration of justice is a venture held exclusively by Government.

The unique nature of an independent seastead provides an opportunity to change the way the world does Justice for the better. What we are proposing is the outsourcing of court administration –from the smallest mediation matters, to the most complicated civil suits and criminal cases.

Res Judicata will change the way people think of justice:

- By virtualizing court administration, we can significantly reduce the costs of trial in both time involved and actual dollar amounts to each jurisdiction that signs-on for our services.
- By creating a uniform method of procedure, the courts could increase the level of fairness within their respective systems. Parties to a matter no longer have to “shop for a jurisdiction” to seek out advantages that certain jurisdictions provide due to accidents of legislation and demographics. Fairness is built into the system.
- By allowing customization of court rules by the involved parties, we can guarantee full satisfaction in the process (if not in outcome).
- By allowing the parties to choose the best method to proceed, be it mediation, arbitration, judge trial, or jury trial.
- By allowing the parties choose the arbiter of justice –the parties to any matter can choose their judge.

¹ <http://en.wikipedia.org/wiki/Minnesota> [Minnesota is] the twelfth largest state of the U.S., it is the twenty-first most populous, with 5.27 million residents.

² <http://www.mncourts.gov/?page=432> See: Fast Facts about the Judicial Branch.



Objectives

1. To provide individuals with a quick, easy and inexpensive way to settle disputes.
2. To provide a quick and inexpensive method for corporations to administer mediation and arbitration of contracts.
3. To provide virtual court rooms for both small and large jurisdictions.
4. To provide mechanisms for individuals, corporations and governments to lower administration costs while improving the quality and results.

Market and Industry Analysis

Res Judicata customers can be divided into three groups: individual consumers, corporations, and governments.

1. **Individual Consumers** will use Res Judicata for small claim matters, and mediation or arbitration for small disputes. The Res Judicata interface and billing structure allows a fast and inexpensive way to settle such claims.
2. **Corporations** will use Res Judicata in much the same manner that individual consumers will – arbitration and meditation. The primary difference is that for corporations, Res Judicata will have prearranged packages that work with the corporation's contracts and licensing agreements. The bundling of the legal package, the immense savings the corporation can see by avoiding travel expenses, the avoidance of needless processes and procedures, and the speed of the process overall will make Res Judicata an extremely attractive alternative to conventional jurisdictions.
3. **Governments** will have the most to gain by using the services provided by Res Judicata. There is enormous expense in having and maintaining a courtroom facilities, staff and technology, set aside the expense in having to perpetually update the rules of procedure for their respective jurisdictions. Governments can avoid much of this expense by using Res Judicata and taking the jurisdiction virtual. The savings Governments would realize by outsourcing this essential function could then be used for other projects, or returned to the tax payers as savings.

Because any justice system is essentially a monopoly within its own geographic region, there is no competition, so it would be difficult to determine how introduced competition would alter the system. However, one can see current costs and revenues in a sample market; we can extrapolate from these costs and revenues what would be the costs / revenues for our system.

We will be using Minnesota as our example jurisdiction. The following figures give us a snapshot of the judicial environment in the State of Minnesota³, as well as other relevant aspects of the business environment within Minnesota.

³ <http://en.wikipedia.org/wiki/Minnesota> [Minnesota is] the twelfth largest state of the U.S., it is the twenty-first most populous, with 5.27 million residents.



Minnesota's Judicial Branch 2010 Annual Budget⁴	
District Courts	\$250,116,000
Supreme Court/State Court Administration	\$43,476,000
Court of Appeals	\$10,285,000
Total:	\$303,877,000

Minnesota's Judicial Salaries⁵	
Supreme Court Chief Justice	\$160,579
Court of Appeals Chief Judge	\$144,429
Court of Appeals Judge	\$137,552
District Court Chief Judge	\$135,580
District Court Judge	\$129,124

Personnel Salaries in Minnesota	
Web Designer Salary	Between \$30,000 and \$50,000 ⁶
Computer Applications Software Engineer Salary	Average: \$72,370 ⁷
Computer Hardware Engineer's Salary	Average: \$98,820 ⁸
System Administrator	Between \$41,000 and \$64,000 ⁹
Paralegal	Average Salary: \$43,040 ¹⁰
Data Entry	Average: \$29,092 ¹¹
Attorney	Average: \$90,299 ¹²
Sales Associate	Between \$27,000 and \$62,000 plus commission ¹³
Public Relations Specialist	Average: \$63,411 ¹⁴

⁴ <http://www.mncourts.gov/?page=432> See: Fast Facts about the Judicial Branch.

⁵ <http://www.mncourts.gov/?page=432> See: Fast Facts about the Judicial Branch.

⁶ http://www.payscale.com/research/US/Job=Web_Designer/Salary See: National Salary Data table.

⁷ <http://www.bls.gov/oes/2001/oes151031.htm> See: 15-1031 Computer Software Engineers, Applications.

⁸ <http://www.bls.gov/oes/current/oes172061.htm> See: 17-2061 Computer Hardware Engineers.

⁹ http://www.payscale.com/research/US/Job=System_Administrator,_Computer_/Network/Salary See: National Salary Data table.

¹⁰ <http://www.paralegalsalarydata.com/> See: Paralegal Salary Data table.

¹¹ http://swz.salary.com/salarywizard/layouthtmls/swzl_compresult_national_of13000023.html See: Data Entry Clerk II table.

¹² http://swz.salary.com/salarywizard/layouthtmls/swzl_compresult_national_le11000001.html See: Attorney I table.

¹³ http://www.payscale.com/research/US/Job=Sales_Associate/Salary See: Sales Associate Salary Chart.

¹⁴ http://swz.salary.com/salarywizard/layouthtmls/swzl_compresult_national_CM02000008.html See: Public Relations Specialist III table.



Marketing Plan

Res Judicata will have a three-tiered approach to selling its services:

1. At the individual consumer level, Res Judicata will use standard advertising methods to attract consumers to use our mediation and small claims services.
2. At the corporate level, Res Judicata will use a sales team to target specific corporations for our bundled legal services.
3. At the government level, Res Judicata will use a sales team to sell various jurisdictions on our outsourcing services.

Res Judicata will attract new talent (mediators, arbiters and judges) using our talent recruitment team. The low startup cost of the business will help to keep it moving forward with fewer clients. As more the business grows, Res Judicata can scale its operations accordingly.

Sales Strategy

Res Judicata sales strategy requires five different approaches in order to cover all aspects of industry:

1. First, it will be necessary to attract legal talent in order to have any matters adjudicated. Our talent team will approach current and retired judges, notable attorneys, law professors and prominent regulators to launch our system. Because Res Judicata will not require that these individuals reside on the seastead and will only contract with them on a case-by-case basis, the amount of production per individual will be actually quite low. The *ad hoc* nature (meaning the legal is only paid when they have been selected by the parties to a matter to be the judge for that matter) of the contracts between the legal talent and Res Judicata should allow this aspect of the system to be fairly easy to implement. Of course, as the system grows this aspect of our strategy will need to scale accordingly.
2. Second, it will necessary to development a web presence to in order to attract the individual consumer level. Since the idea is to create a virtual jurisdiction, our web presence needs to be our primary concern –not an afterthought.
3. Third, we need to seek out corporations specifically for our legal bundling products. Bundling our virtual jurisdiction with a corporation’s contracts and licensing agreements is a natural match. A portion of our sales team will focus on this portion of the adjudication industry.
4. Fourth, we want to create a partnership with government –with our system, governments at all levels could forego many of the costs and difficulties of running the courts in their jurisdiction. We will devote a portion of our sales team for this specific task.
5. Lastly, as Res Judicata grows and because Res Judicata will be storing and recording all of the cases Res Judicata hears in every jurisdiction Res Judicata administers, Res Judicata will build a relationship with legal publishers to sell the case data to said publishers. Building relationships with Westlaw and Lexis/Nexis would be desirable for this purpose. Concerning this sales strategy, if it proves that working with Legal publishers becomes untenable, Res Judicata will create its own legal database library from the cases Res Judicata hears.



Financial Analysis

Cost Breakdown for First Year of Operations

Cost Breakdown for First Year of Operations	
Computer Hardware & Software / Power	\$250,000 (electricity is \$0.30/kWh ¹⁵)
Seastead space rental	\$120,000 (2000 square feet x \$50 =10,000 per month)
Non-seastead space rental	\$100,000 (budget for space when needed for sales team)
Sales Associates	\$62,000
Attorney	\$110,000
Paralegal	\$50,000
Data Entry Specialist	\$25,000
Software Engineer / Administrator	\$100,000
Public Relations	\$63,000
Judge	\$160,000
Total Operations Costs for First Year	\$1,040,000

Projected Fees for Services

Level 1 Judicial Services – Small claims.

Example: My neighbor borrowed my saw, broke it, and won't replace it. I am suing him for the replacement cost which is \$30.

Using the Minnesota Court System as an example, in order to take this matter to conciliation court (small claims court) in Minnesota, it would cost approximately \$100¹⁶. Using Res Judicata Level 1 services, both parties could negotiate the settlement online for whatever the parties agree to. Both parties would work within a double-blind negotiation until an agreement is made; at that time, the transaction is complete. Res Judicata would receive a *de minimis* fee for each transaction conducted in this way. The users of the site are paid via PayPal and they are contractually bound to pay by the disclaimer they click on in order to use the site.

Proposed fee for Level 1 services: \$10 for each user. The parties can choose to roll the costs of the service into the winnings or split the fee, so using the above example, if I win, there are two payment scenarios:

1. The losing party pays the fees and the award to the winning party for a total of \$30 going to the winner and an additional \$20 paid by the losing party for fees for a total of \$50.

¹⁵ <http://seasteading.org/community/contests/sinkorswim-2010> See: Submissions, "...assume you can buy electricity at \$0.30/kWh".

¹⁶ <http://www.mncourts.gov/district/4/?page=1582> See: Conciliation Court table of fees.



2. The parties split the fee: \$10 from each party.

With an average of two persons per transaction, first year recovery of investment if only Level 1 is used would be 52,000 transactions. Given that not all transactions will be resolved at Level 1, Res Judicata should require substantially fewer transactions than this to recover 1st year investment.

Question: What if the double-blind negotiation fails?

Answer: Level 2 services.

Level 2 Mediation Services

Consumers and small businesses that have a more complex claim, but the amount is still small.

Example: A customer takes their car to a repair shop to be repaired and is charged \$300 for the repairs, but the car is still broken. The customer refuses to pay for the repairs, so the repair shop places a lien on the car. The repair shop will not do any additional repairs without more money and will not remove the lien until the customer has paid the \$300 for the repairs that did not fix the car as promised. The customer is suing the repair shop to have the car returned and have the lien removed or have the repairs completed to the customer's satisfaction.

Using the Minnesota Courts system as the benchmark again, this matter would fall into conciliation court (small claims) which would take the initial court costs to approximately \$100¹⁷. For the sake of argument, we will assume the parties to this matter have already gone through Res Judicata Level 1 services and the double-blind negotiation has failed. Once the parties have failed to come to agreement at Level 1, the matter automatically moves onto Level 2. At Level 2, the parties chose to mediate as part of the terms of use of the site. The site will direct the parties to call a number and the mediator will begin a conference call with the parties. The mediator will decide the case for the parties for a flat fee in addition to the *de minimis* fee for the Level 1 services. The users of the site are paid via PayPal and they are contractually bound to pay by the disclaimer they click on in order to use the site. If the amount awarded is higher than what the losing party can pay at one time, escrow and billing services will be offered through Res Judicata for a small fee. Secured loans will be considered as well.

Proposed fee for Level 2 services: Level 1 service fee + time on system + time for mediator. Most Level 2 transactions will be resolved in one hour or less (\$10 per person + 15¢ per minute system fee + \$25 per hour mediation service fee) = \$44 per person, or \$88 for the transaction on average.

Res Judicata will offer the same flexibility on how the parties wish to pay as shown at Level 1. The parties can choose to roll the costs of the service into the winnings or split the fee, so using the above example, if the customer wins, the customer can receive \$300 and the repair shop will pay \$380 into the system, or the customer receives \$256 and repair shop pays in \$344.

¹⁷ See: Footnote 17 *infra*.



With an average of two persons per transaction, first year recovery of investment if only Level 2 is used would be 11818 transactions.

Question: What if the amount in question is large (*i.e.* over \$10,000), or the party is dissatisfied with the conclusion of mediator in Level 2 negotiations?

Answer: Level 3 Services.

Level 3 Arbitration Services / Virtual Courtroom

Level 3 Services provide a fully virtualized court-room for the parties of a complex issue or matters where the amount in controversy is high (*i.e.* higher than \$10,000). Level 3 services are also provided for parties to matters where Level 1 and Level 2 failed to come to a suitable conclusion.

Example: Product liability case involving injuries. In a case where Level 3 services are required, the parties will get choose the arbitrator for the matter. The parties will agree to the arbitrator's fees for hearing the matter and will need to pay Res Judicata use fees for using the system. I envision a Facebook-like page for each contracted arbiter which shows their experience, availability and fees so the parties can pick based upon the arbiter's attributes.

Proposed fee for Level 3 services: Arbitrator contract fee + Res Judicata virtual courtroom service fee (time on system). As mentioned above the arbiter can negotiate any amount for the contract for services, so the arbiter's fee will be variable. The cost of the virtual courtroom will be cost of streaming and storage of the video of the proceedings. We'll assume starting out that our judges will contract for around \$80 per hour. The cost of the Res Judicata virtual court would be 50¢ per minute. With the average case taking ten courtroom-hours, the total costs for the courtroom + arbiter would be \$1100. First year recovery of investment if only Level 3 is used would be 949 transactions.

The costs at Level 3 will oftentimes be contracted out by businesses. For example, as a part of a license agreement with a business, the customer will need to submit to this process. The business will subsidize the cost of court through the contract; business will want to use this system as opposed to others because of lower costs in travel, more flexible procedures, quicker resolutions and universal jurisdiction.

Level 4 Outsourced Judicial District

Level 4 stands outside the Res Judicata judicial system, but provides a huge opportunity for any traditional judicial jurisdiction in costs savings and service delays. An outsourced judicial district would follow the same rules as the judicial district it supplanted. Res Judicata would charge fees in the same manner as in previous 3 Levels, but in this case, the fees would be received from the supplanted jurisdiction rather than from the parties to the matter directly.

Proposed fee for Level 4 services: Fee structures in this case would follow the fee structures of the supplanted jurisdiction. Customers will find cost savings and enhancement of services through the virtualization of the jurisdiction. As an example Hennepin County in Minnesota has a budget for the



courts system of \$43,467,000¹⁸. Res Judicata would only need to virtualize one judicial district of this size to turn a profit in the first year.

Level 5 Outsourced Government Services

Res Judicata will also move to providing governments with a way to supply most basic services virtually. Fees will be charged to the government and will dependent upon how much time / bandwidth the particular service creates on our system.

Example: Administration of licensing and permits (Hennepin County Revenues from just licensing and permits amounts to \$ 7,095,495¹⁹).

Proposed fee for Level 5 services: as with Level 4 services, Level 5 service fees will follow the fee structure of the supplanted government service. As an example, Hennepin County has a total budget of \$1,723,030,661²⁰. If Res Judicata were to supplant the totality of Hennepin County administrative budget, we would most assuredly turn a profit in the first year.

Level 6 Data Mining and Integration with Westlaw and Lexis/Nexis Legal Search Engines

As Res Judicata is used, it will create a large data warehouse of court information. Res Judicata could easily sell this information to Westlaw or Lexis/Nexis.

Proposed fee for Level 6 services: The value of the data Res Judicata collects will grow over time. It would be hard to determine the value in the first year. Suffice it to say, this aspect of the business will be a huge profit center, but in the first year, it will only be in development.

Question: Would selling the data mined by Res Judicata to Westlaw be in our best interest?

Answer: Maybe not; which brings us to Level 7.

Level 7 Legal and Administrative Search Engine

Rather than selling our data to Westlaw in order to integrate with their system, Res Judicata could create its own search engine for both legal and administrative information.

Proposed fee for Level 7 services: Res Judicata will use a fee structure similar to what is seen in current legal search engines. For example: a “Research best” option at \$.10 a minute, which would be used until research is complete, or research for no more than \$x.xx where the user enters a dollar amount.

¹⁸ FY09 Minnesota Trial Courts Budget for the 4th Judicial District (Hennepin County).

¹⁹ <http://hennepin.us/files/HennepinUS/Budget%20and%20Finance/Financial%20Information/Budgets/2009/2009%20Operating%20Budget%20Book.pdf> See: SOURCES OF REVENUE p. 54.

²⁰ <http://hennepin.us/files/HennepinUS/Budget%20and%20Finance/Financial%20Information/Budgets/2009/2009%20Operating%20Budget%20Book.pdf> See: 2009 BUDGET HIGHLIGHTS p. 31.



Alternatively or in addition to, Res Judicata could create search packages to sell to specific customers (e.g. law firms, government offices). For example a Res Judicata seat license could sell for \$2000. with the seat, a single person can search as much they wish on the Res Judicata search engine.

As with Level 6, the value of the data Res Judicata collects will grow over time and it will be difficult to exactly determine the value of the data in the first year, however if we were to sell 520 \$2000 search packages as in the example above in the first year, Res Judicata would recover all of the first year investment costs .

Level 8 Level Zero Government

Using the data collected from the services provided by Res Judicata, we will be able to create a Level Zero Government bundle. A level Zero Government bundle would contain a complete virtualized governmental package for a government to run effectively. Res Judicata could just “flip a switch” and most government systems would be up and running (including the courts of course). While the Level Zero bundle would only contain what is absolutely necessary (i.e. Minarchism²¹) to run a government, governments could *à la carte* any additional rules they want in addition to the Level Zero bundle. In effect, Res Judicata will create the governmental environment the government wants to project instantly and perfectly (e.g. without bureaucratic resistance).

Proposed fee for Level 8 services: Res Judicata will offer price points all along the spectrum of government size, from municipal to nation-state for this service.

Operational and Logistical Analysis

Personnel Plan

The staff of Res Judicata will vary as the system scales to accommodate more and more cases and the management of more and more jurisdictions. Res Judicata will need the following positions to grow:

1. **Technical staff.** The Technical will consist of a permanent staff of technicians who will manage and administer the system hardware on the seastead. The technical staff will also consist of web-site developers and administrators that will not reside on the seastead. Because of the virtual nature of the system, it will not be necessary for these technicians to be located in any particular location.
2. **Administrative Staff.** The administrative staff will also consist of two subsets. First, Res Judicata will have administrative staff to assist the talent and consumers alike on the portions of the system that could not be automated. Presumably this portion of the staff will shrink as more and more of the system is automated despite increased volume. Second, Res Judicata will require administration of corporation itself. In this respect, Res Judicata will resemble any typical corporation.

²¹ <http://en.wikipedia.org/wiki/Minarchism>



3. **Sales.** Just like the Administrative and Technical teams, the Sales team will be divided into subsets, but in this case, there are three subsets. First, Res Judicata will have a sales team that focuses on corporate customers exclusively. This team will specialize in selling our bundled legal product to corporations. Second, Res Judicata will have a sales team focuses on selling our virtual jurisdiction product to governments. Lastly, Res Judicata will have a sales team devoted to selling individual consumers on our small claims, meditation and arbitration products. Of course, these sales teams will grow as the system scales upward.
4. **Talent Recruitment.** Res Judicata will require more and an ever increasing list of legal talent to hear the ever-growing case load. The Talent Recruitment team will work to give Res Judicata the best legal talent available.

Company Ownership

Res Judicata will be incorporated on the seastead by the laws for incorporation for said seastead.

Competitive Advantages, Market Opportunities, Strengths

Competitive Edge

Res Judicata has a competitive advantage based on three factors: **Technology**, **Efficiency** and **Symbiosis**:

1. **Technology** –Res Judicata will be using the technology of today to create a truly automated and virtual judicial system. Government run systems are far too slow in adopting technology; because of this, government-run judicial systems worldwide fall far behind in terms of the technology used to deliver their services.
2. **Efficiency** –Technology and efficiency go hand-in-hand. Because Res Judicata can deliver its services in a manner that government cannot (automated and virtual), Res Judicata has a complete advantage that is unlikely to be easily overcome by government.
3. **Symbiosis** - Res Judicata has an advantage over most seastead-based business proposals in that it works to create symbiosis with government rather than an adversarial relationship. By Working with government and creating cost savings for government, Res Judicata will encourage world governments to work within our system rather encouraging governments to shut the system down.



Risks, Threats, Weaknesses (and ways to mitigate these)

Why a Seastead?

One of the most important arguments against establishing Res Judicata on a seastead is possibility the easiest –why place this business on a seastead? Couldn't this business survive or even thrive in any location?

While it is true the use of a seastead complicates matters in many ways (*see below*), it also provides unique strategic advantages over placing the business within an already-established nation-state.

For example, the use of a seastead would reduce jurisdictional jealousies: setting up a virtual jurisdiction in a small country to administer a court in another country will likely create unnecessary emotional / political issues in both the host nation and the hosted jurisdiction. If placed on a seastead, there would be none of the history /diplomacy/acrimony that goes along with interacting with a nation-state.

Along with minimizing the political aspects of judicial virtualization, seasteading Res Judicata's operations should minimize the negative connotations associated with "off-shoring to a low cost center". In fact, seasteading Res Judicata's operations would take much of the wind out of this argument by working with talent within the hosted jurisdiction(s).

Lastly, but probably most importantly, seasteading Res Judicata allows for a maximization of plasticity / flexibility within law and politics. Without the baggage of working within an already established judicial system, Res Judicata can act in any manner required by the hosted jurisdiction without interference from a host nation-state. It would not be hard to envision pressure from a host nation-state to "tip the scales" in their favor when the nation-state's interests are involved. Seasteading will prevent such undue influence.

It is these less tangible, but nonetheless extremely important aspects of seasteading that make seasteading Res Judicata much more attractive than simply placing the business in a favorable or welcoming nation-state.

Environment

The nature of a seastead makes environment always a primary concern. Storms can do a great deal of damage if not properly prepared for. This however is where Res Judicata stands out as an excellent seastead venture. The business does not explicitly require that it exist on the seastead; in fact, most of the organization and infrastructure does not. Res Judicata only needs the legal / political environment that a seastead provides. The distributed nature of the personnel and infrastructure of Res Judicata minimizes the damage that can be done by a storm or hurricane. Moreover, as Res Judicata scales, the infrastructure and personnel become increasingly diffuse, creating a system that would be increasing difficult to damage in any meaningful manner.



Political

Many seasteed ventures concern themselves with activities or industries that nation-states have chosen to make illegal. Because these ventures are contra to the laws of nation states and presumably to the one the seasteed is closest to, the seasteed could be construed as a threat by that nation-state. Not so with Res Judicata. Res Judicata as a business concern seeks to work with nation-states. Our business plan seeks to make government cheaper and easier to administer. Res Judicata seeks to create a symbiotic relationship between itself and the nation-states it serves. As more nation-states choose to work with Res Judicata, the more increasingly unlikely it will become that any individual nation state would seek to undermine the business. Additionally, because of the decentralized nature of the business, with personnel and infrastructure not necessarily dependent on the seasteed itself, any violent act perpetrated upon the physical seasteed would also be a useless gesture.

The only effective way to disrupt Res Judicata activities would be through a cyber attack. This of course, can be mitigated through monitoring, redundancy, and countermeasures –things that all corporations do when creating a web presence, global or otherwise. All of these measures are being considered and included as part of Res Judicata’s initial startup costs and going forward as a working and growing concern.

Financial

What are the financial risks facing Res Judicata? As with any product, Res Judicata’s success depends upon its ability to sell its product. Just because we’ve targeted an underserved market, does not mean that the rules of supply and demand disappear. We have considered that it may be difficult to sell governments on the value of outsourcing their justice systems, and our conclusion was to create three different products in order to mitigate the risk from any one market.

At the lowest level, we will sell mitigation services for private disputes. While this market has been a proven winner, it will only provide a small portion of our revenue.

The mid-range product offering is mitigation and arbitration services for corporations. These services will create a substantially different revenue stream from our private mitigation services.

Together, these two streams should provide a sufficient hedge against any unforeseen financial shortfall.

Our last category and arguably the hardest sell would be to sell full judicial services to nation-states. The financial and resource benefits for nation-states should make this an easy win for Res Judicata, but there are emotional hurdles that need to be breached before this service could be sold. Perceptions matter. No nation-state will outsource their judicial system without compelling reasons to do so. Res Judicata will head this resistance off by offering the first two services first to develop a track record. The next step would be set up a real world pilot program for volunteer municipalities in North America, then moving on to ever larger projects (provinces and states) until a full nation state system is serviced. At



each level, pilot programs will be necessary to prove the efficacy of the system. Our sales team will work to focus on likely candidates for the pilot program and help establish our track record. Once nation states see that our services are fairer and cheaper than anything they can provide, it will be an easy step to sell Res Judicata services at the nation-state level.

Legal

Res Judicata's system will only work if people believe that it is the fairest system, or at least fairer than what their current jurisdiction is providing, or at least that is our argument. Unfortunately, there is a paradox within that statement — *people* want fairness in the system, but *individuals* want a system that gives them every advantage. How will Res Judicata address this paradox?

The best way to ensure the fairest system is applied and the parties to any matter also feel they are getting the best advantage within the system is to allow the parties to pick their adjudicator and their system. Both parties have to agree to both, so the outcome will never be perceived as inappropriate due to the process.

But what of people who, after losing, still want to dispute the system they themselves chose? Res Judicata will mitigate this issue with legal releases; an agreement that all parties must adhere to in order to participate in the system. This of course assumes that there is a general acceptance of Digital Signature and Electronic Contract within the system. Res Judicata will not create a product to create legally accepted digital signatures nor will it create software that would produce electronic contracts that serve as the legally accepted original copy of a contract, rather Res Judicata will work with the companies already producing this software to overlay our services.