

## BUSINESS

## Palm Beacher launching business from 'Pearl Harbor'

When Palm Beach property owner John Textor founded JesterDigital Corp. in 1999, he didn't realize the job would involve pulling "duty" on an aircraft carrier in the Pacific Theater.

Textor and his wife, Debbie, will be heading to Hawaii this coming week for the debut of the Disney film *Pearl Harbor*, about the USS John C. Stennis. They'll be the guests of co-producer and director Michael Bay (*The Rock*, *Armageddon*), who was Textor's college roommate and co-founder of Windcrest Partners, a holding company based in downtown West Palm Beach that acquires and invests in private companies with technology that is significant to the evolution of the Internet.



Stephanie Murphy

Windcrest put \$7 million into JesterDigital, called "the virtual living room of the future." The company designs and produces Web-based, virtual reality environments for digital media such as music, games, education and interactive advertising.

"The Internet application also has multi-user accessibility."

Disney called Thursday to tell Textor that its *Pearl Harbor* Web site will be operational this weekend using Jester's VRML (virtual reality markup language) application or "metaverse."

"We're excited that Disney has ended up being our first customer and *Pearl Harbor* our first major film project," Textor said Thursday.

Interfacing with George Lucas' multi-Oscar-winning *Indiana Jones and the Temple of Doom*, which created the film's special effects, was no small thrill, Textor said.

"But we only had about six weeks to convert their material to our application," he said. "It allows you to get information about the movie, and about the history of Pearl Harbor."

Osman Longa, chief 3-D officer, said Jester's "metaverse" includes scenes on the bridge of the USS Arizona, Ford Island, "BattleShip Row," the Ha-18 Bar, the base hospital and a Japanese pilot's bombing run in a Zero.

Jester's 3-D work for *Pearl Harbor* also will be featured on *Access Hollywood* in "The Making of Pearl Harbor," Textor said.

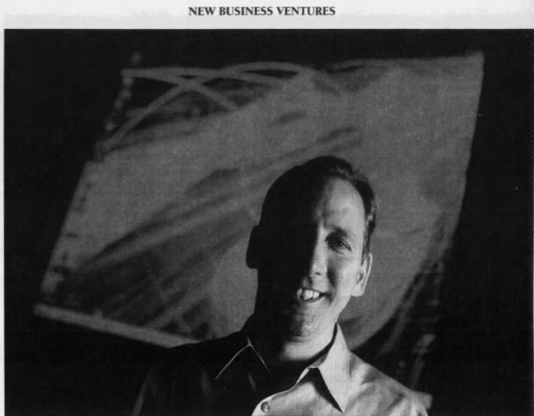
For more information, see Disney's Web site: [www.pearlharbor.com](http://www.pearlharbor.com)

**Price drops on Palazzo Serena** — Bargain hunters, here's a challenge. The owner of Palazzo Serena has reduced the price from \$60 million to \$29 million, say listing agents Patricia Ryan of All Premier Properties in Jupiter, and Sylvia James and Pat McInerney of Brown Harris Stevens in Palm Beach.

Palazzo Serena, a three-story oceanfront mansion in Seminole Landing, has more than 200 square feet of interiors appointed by Palm Beach designer Scott Snyder. Built in 1998, the mansion sits on a acres with 300 feet of private beachfront, just south of the Seminoles Golf Club.

**Kravis CO to speak** — Judith Mitchell, CEO of Kravis CO, will be speaking at the Palm Beach Chamber of Commerce luncheon on Monday, May 14, 2001. For more information, call 561-833-1234.

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Palm Beacher John Textor is a director of VirtualBank, a Palm Beach Gardens-based company that offers a broad range of banking services.

# VIRTUAL PARTNERS

## Dan Marino joins online bank in a team that will benefit charity, business

By STEPHANIE MURPHY  
Daily News Business and Real Estate Writer

He plinks in his back in play, Dan Marino has the ball, and money is riding on every pass.

Not your typical Sunday, but a good day nonetheless for VirtualBank, an online company that expects to go further with a scrimmage-line hero who is simultaneously behind it and out in front.

The Palm Beach Gardens-based bank and the ex-Dolphin have rolled out a parallel universe designed to score points for charity and elevate market share for the Internet-driven bank.

Marino, a charter investor in the 13-month-old company, and VirtualBank CEO Rory Brown announced the relationship Thursday at a reception to open the bank's new 10,000-square-foot headquarters next to The Gardens mall.

Marino/VirtualBank is a new division of the high-tech bank that will target professional athletes and other affluent investors and their families, as well as members of Marino's network of charities.

Marino/VirtualBank.com is the division's dedicated Web site. Every time a new customer uses the portal to open an account or borrow money, VirtualBank will pay a fee to the Dan Marino Foundation, a charity for children with special disabilities, Brown said.

"It's a good relationship for the foundation," Marino said. "The bank is headed by good people that I've been involved with for a while

through an investment group."

Marino, who lives in Weston, also put to rest a rumor that he's looking at real estate in the Bahamas. "No, though I do like it up here. But I've owned land on Jupiter Island for quite a while. I really can't say what I'd do for now," said Marino, a co-host and sports commentary celebrity for HBO's *Inside the NFL*. When he's not broadcasting TV segments, Marino plays golf, he said, "and I try to be as good a dad as I can."

### \$150 million in deposits

Many magazine named Virtual Bank "the best online bank" in October, in a list of the top 50 financial Web sites, citing low fees, high interest rates on checking accounts and reimbursements for ATM charges.

According to the Florida Bankers Association, the bank had \$150 million in deposits at the end of 2000, and was capitalized at \$36 million before it began accepting deposits in April 2000.

Investors put in another \$12.5 million five months ago, and in March 2001, Brown announced that VirtualBank was in the black, an unusually soft profitability window for an online bank.

Charter investors include Palm Beacher John Textor, a director of VirtualBank who founded Wundersoft Partners, a holding company that acquires or invests in private companies with technology that is significant to the Internet.

Other charter investors include BankAtlantic; Textron Inc.; Credit Suisse First Boston; Daimler/Chrysler; General Electric; JH Whitney; a Stamford, Conn., venture capital firm; and Devonon Luffkin & Jenrette Securities, a Wall Street investment bank. In addition to Marino, private investors include

Carl Stork, head of hardware strategy for Microsoft; Bernie Ebers of MCI Worldcom, and executives from Starwood Hotels and Resorts, Pier 1 Imports, Fortress and Kellie Investment Corp.

Marino/VirtualBank is the bank's newest affinity partner, following the business-to-employee marketing model that VirtualBank established last year in co-branding arrangements with The Association of Company Employees, EMC2, WorldCom and Textron Financial Corp.

"Dan Marino is the most dominant national celebrity in Florida," Brown said. "This connection is another version of what we're doing with Company and EMC2. We decided to try it with an individual as the affinity partner."

In so doing, the bank has linked Marino's contacts among professional athletes with "knowledge professionals" at leading technology firms, creating a credit-union alternative accessible through the Internet or the company's Intranet.

"This channel allows us to reach the client who most appreciates what we have to offer," said Courtney McCashland, executive vice president and chief marketing officer of VirtualBank. She credits the bank's proprietary technology platform and its suitability in the Internet with heightened efficiency and customer satisfaction.

The bank's research shows that tech-savvy customers are drawn to the concept of seamless service that streams together deposit accounts, loan portfolios, financial advisory services and investment products; bill payment and one-stop online access to their money and real-time financial profile.

VirtualBank's technology runs on Microsoft .NET.

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The bank is headed by good people that I've been involved with for a while through an investment group.

DAN MARINO  
CHARTER INVESTOR, VirtualBank



Snyder



Marino

Percentage of monies from new accounts to go to charities he supports.

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## PERSONAL TECHNOLOGY

# Always wanted to be an action figure?

Want to know what to give the person who has everything? Here's a cool idea: Give them the chance to play with an action figure modeled after themselves.

And/or Toy Company Inc. at [www.andor.com/Personalized\\_Figures/personalized\\_figures.html](http://www.andor.com/Personalized_Figures/personalized_figures.html) can create an action figure that's the spitting image of you or someone you know, or even someone you don't know. (I kind of like the idea of Regis Philbin as an action figure.) You can even pick clothes and accessories to go with it.

According to the Longwood-based company, all you need to get started is a series of photographs.

And money. Prices start about \$250. Additional heads are only \$50 apiece.

Look, Ma, no hands — While driving and yacking on a cell phone categorically do not mix, the conflict is somewhat assuaged

with the use of a hands-free device mounted inside a vehicle. Shaver Image takes this concept a step further with the Hear It Again Car Cell Phone System (\$130; [shaverimage.com](http://shaverimage.com)).

Adfixing fairly unobtrusively to the dash, the Hear It Again not only converts one's cell into hands-free speakerphone, it also acts as a looping recorder that constantly captures the last 20 seconds of live conversations while driving.

If someone just relayed an important address or phone number, for example, there is no longer a need to grab a pen and paper for memo jotting on the fly. Instead, just push one of four memory storage buttons and the Hear It Again will commit the pre-

vious 20 seconds of audio to memory for convenient replay once the car has stopped and the looming presence of a black truck or baby stroller is no longer a concern.

A fifth button acts as a personal memo file that allows for a 10-second personal message, like "note to self: red light means stop." Current models are compatible with Nokia 3330 and 6100 cell phones and with Motorola's StarTac.

Fitting to a tee — If you looked closely at a recent episode of *Will & Grace*, you'd have seen star Debra Messing sporting a black T-shirt emblazoned with a galloping polo player in pink. (Viewers were even offered a chance to buy a similar T-shirt during a 10-second clip at the end of the show.)

It's all part of an effort by Ralph Lauren to make the pink pony ruck awareness of breast cancer in the same way the red

ribbon raises awareness of AIDS. So far it seems to be working. The T-shirt is selling out at Ralph Lauren Polo stores and is being snapped up like crazy on Polo's Web site at [www.Polo.com](http://www.Polo.com). The shirt sells for \$22, of which \$15 goes to the charity.

The shirt has become such a success story that Ralph Lauren Center for Cancer Prevention and Care.

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The shirt has become such a success story that Ralph Lauren Center for Cancer Prevention and Care.

Check conference calls — With telephonic conferences becoming a boardroom mainstay, Polycom's Please see PHONES, Page D6

## Where mutual-fund pros invest their own monies

Regardless of where you go on the island, someone always has a hot investment tip.

I've even been in restaurants where waiters try to slip you a little inside stock info along with your martini.

Unfortunately, all too often, their advice winds up being a recipe for disaster. I've heard the sob stories over and over again.

But, there is a more tried-and-true way to get hot investment information that actually could help your bottom line. It involves doing a bit of your own research.

Sources with much better financial odds than the advice given at area restaurants can be money managers, who invest personally in their mutual funds. At least, that's according to a study published last year in *Financial Planning* magazine, New York.

The study found that 85 per-



Gail Liberman  
MANAGING YOUR FORTUNE

cent of funds in which managers, employees, trustees and independent directors held significant investments outperformed the average fund in their categories. The vast majority of those funds also carried the highest four-star or five-star ratings by Morningstar Inc. in Chicago. The study examined 50 funds over three-year and five-year periods ending in June 1999.

While the list was not yet published, the study found that 85 per-

Please see XXXXX, Page D2

# JesterDigital employs about 98 in season

From Page D1

By Ron Raton. Wyndcrest put \$7 million into JesterDigital, and received another \$1.5 million from Crossbow Ventures, an investment firm also based in West Palm Beach.

"We'd like to help our risk, since we own so much of the company," Textor said. "Our goal, since we have significant money of our own, is to get partners that can add value — whether financial, strategic partners, or even media partners. That will depend on our comfort with the partner that provides it."

JesterDigital employs about 40 people in the summer and the staff grows to about 98 during season.

Textor and his wife, Debbie, own a waterfront home at 1031 N. Ocean Blvd., and have a waterfront home in Palm Beach Gardens. He grew up in Palm Beach, and attended Palm Beach Public School, the former Twin Lakes High School and Wesleyan University in Middletown, Conn.

With or without a company commitment from this conference, Textor and JesterDigital will be strapping their stuff next week in California at MIBEM, the largest digital media summit. The week before last, it was CEX, the consumer electronics show in Las Vegas. There, the firm's connection to IBM garnered a spot in IBM's trade show booth.

JesterDigital — as licensee of IBM's technology for the secure digital download of media — was featured as "the virtual living room of the future." Wired magazine called Jester "the most interesting new concept" at the Internet World Expo, Textor said.

The French Riviera spotlight captured his priceless experience for another catch-phrase: "Dive into the culture with Jester and IBM," he said. "The idea is to dive into the Internet instead of flipping through. Companies pay an incredible amount to be (in Cannes)... We get in for free because of our relationship with IBM."

To appreciate Jester's potential, consider the contrast between flat-panel, test-driven charts and 3-D multi-media animation. Internet vendors now sell music and entertainment the same way they sell razor blades, because there hasn't been a viable alternative to show off more dynamic products, Textor said.

Jester is available in dial-up mode (with at least 56K bandwidth) and works well that way, but it will be even better with digital capability," Textor said. The user initially downloads a software plug-in, which allows prompt access on subsequent visits.

**The pretender**  
Imagine yourself as a pretender or your own choosing, a "tester" or character you invent to see the world as you might like it. Then imagine that your persona is set free from that world in 3-D — landing in the music of your choice, touring ancient ruins for a school, entering a shopping for a ski outfit and lodging. Now imagine that your character can talk with other "testers," because this "network" is open to them at the same time.

"We build virtual reality environments that allow a multitude of users to dial into a common

space that is chat-enabled," Textor said. "Every user has a character they choose to stand in the space... It's commerce-enabled, education-enabled for learning by distance, and multi-media, so it's built for major recording artists, to meet them and watch their videos."

"We believe entertainment and technology are merging very fast. The Internet will be the background for a more kinetic user experience; the most dynamic user experience on the Web of tomorrow is ready today."

JesterDigital applies the technology to developing spaces for traditional users. One client is the heavy metal band Metallica, for which Jester is building a virtual replica of the band's high-security rehearsal center in California.

"They want to maintain their privacy but the band wants fans to be able to dive into their music," Textor said.

Attendees at the conference were able to try out Jester at its exhibit booth, complete with a wide, flat-screen, high-density TV. "As management, after we make bold statements about the future of the Internet, investors can assess the application: see it, touch it, feel it and evaluate its uniqueness and viability for Internet solutions," he said.

"Imagine three years from now, when all the entertainment content from the Web, the personal computer and TV are on one common hardware interface. AOL and Microsoft are taking all of us there because the customer who gets entertainment in a very high-quality form in the real world won't be satisfied with the Internet of today."

Before founding Wyndcrest, Textor worked for Shouron Lehman Hutton, which had a joint venture with financier Leon Peltz in Hollywood film, a real estate entity.

"I represented Shouron's interests in that deal, and learned a tremendous amount about large-scale acquisitions," Textor said.

The volume of dot.com casual-

ties in 2000 altered the venture capital arena considerably. Before spring last year, technology companies found private equity financing just by convincing investors they could produce revenue; profitability was a secondary priority.

Now, venture capitalists are re-examining their exit alternatives, which previously were first, an initial public offering, then a strategic sale to a larger technology buyer.

"The first alternative may as well not exist now," Textor said. "You can't invest in a deal anticipating any IPO window. It may open up, but they are infrequent and here."

That's my perspective both as an investor and as an operator of companies that are dependent on our capital and outside capital," said Textor, who articulated the firm's business model "so investors can evaluate whether management has chosen the optimal commercial application for our technology."

"Literally everyone that was engaged in this market was making money the past few years... The market has increased the need for a greater fundamental evaluation of the business model instead of blind faith in the valuation model," Textor said.

One thing driving JesterDigital is the market potential for digital media, since compact discs and cassettes are a \$40 billion industry. Once broadband or high-speed Internet access is more readily available, the time to download a song will go from several minutes to a few seconds.

JesterDigital generated about \$2 million in revenue for 1999 and almost \$5 million in 2000, predicting profitability in 2002, Textor said.

#### IntelSwitch ready

Executives of West Palm Beach-based IntelSwitch Inc., next door to JesterDigital Corp., another promoter, were primed on Wednesday for the next day's

presentation. The Internet company, which employs about 30 people, provides feature-rich, intelligent video, data, fax and video services to long-distance carriers, enterprises and individuals on a global basis.

Packing for IntelSwitch was Phil Ruggieri, its chairman and a 25-year veteran of IBM, where he was director of global solutions for media and entertainment.

"My customers then were Disney and Sony, and it was a matter of them saying, 'how can you help us make money utilizing the technology you've created?'" Ruggieri said. "The office was in Tampa, but it was like a small island inside a \$6 billion country."

He joined IntelSwitch a year ago, when it received \$4 million from Wyndcrest Partners. The company is seeking \$10 million for research and development, network expansion, sales channel expansion, recruiting key personnel and working capital. Its core technology is proprietary telecommunications software that runs on industry-standard platforms, and its reach is a carrier-grade global network.

"Our network hardware is in Manhattan, Los Angeles and Miami, but we manage the technology from Clemin Street," Ruggieri said. "Other hubs are being added in Frankfurt, London and Beijing." IntelSwitch had revenue of \$2.6 million in 2000 and estimates \$20 million in 2001.

Ruggieri noted the atmosphere of change at this year's forum. "The conference is at a turning point. Until seven months ago, a dot.com attracted dollars with some glitz and pretty charts," he said. "This year, it's all about the depth of quality of the company, its economic model must stand the test of time. (Investors) are questioning revenue projections and asking 'who's writing the checks?'" Sustainability of the economic model wasn't in conversation previously.

"As for the competition that's here, we view it as healthy. It's proof that the market is there; it's not a threat, but a validation."

## Morgan Keegan

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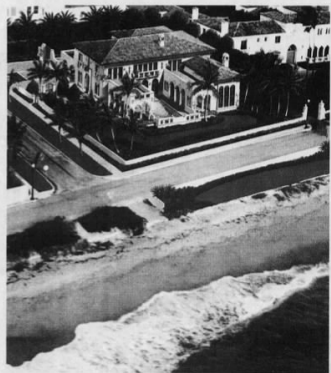
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