

September 20, 1985

Mr. William Hood  
William Hood Associates  
P. O. Box 12308 Road  
San Luis Obispo, CA 93406

Dear Bill,

I am very pleased to let you know that on September 18, 1985, the financial reorganization plan that Mindset submitted under a Voluntary Chapter 11 Filing was approved and confirmed by the Federal Court in San Francisco. With Chapter 11 now behind us, we anticipate closing an additional round of equity financing by mid-October, insuring Mindset's continued marketing and product development efforts.

We are very optimistic about the business we are developing and look forward to continuing to work with you. Thanks for your continued support.

Sincerely,



Roger Badertscher  
President

RHB/mm