TO: JOHN HOFFMANN

FROM: JOE FARINA

FROM : INTEGRAF

PHONE NO. : 7086150835

Feb. 02 1997 02:12PM P01

INTEGRAF

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February 3, 1997

Fax to: All our valued customers

From: Tung H. Jeong, President

Subject: Agfa stops holographic film and plate production

We learned from Mark Redzikowski of Agfa dated Jan. 27 that Agfa will discontinue the production of both films and plates for holography by the end of August, 1997.

INTEGRAF will accept quantity orders until February 20, 1997, the last day Agfa will accept orders from dealers. We quote the Agfa announcement: "There is no limit on the quantity ordered." There is no mention of any price change, and we assume none.

Because we expect our consolidated order will far exceed the quantities we normally stock, we need funding up front. Also, we need assurance that large reserve orders be honored. Therefore, a 50% deposit in the form of cashier checks is required when the order is placed and received before Fcb. 19, 1997. The remainder is payable prior to delivery. We will give proforma invoices by fax.

We are in the process of incorporating a company named HOLOCORE which will set up production facilities to coat state-of-the-art silver-halide emulsions for high resolution recording, and will keep you informed on our progress.

We will continue to distribute all available recording material for making holographic products. We do strongly advise professional holographers to stock up a two to three year reserve. Our internal reserve is based on the average needs of smaller customers, mainly schools, universities, and hobbyists.