



Message from the Chairman

April 29, 2010

Dear Shareholder,

What a difference a year makes! Last year at this time we reported that following months of preliminary research and investigation into the feasibility of a possible new business direction for our company, we had decided to build a “beta” version of our product and test its acceptance into the market. The results of that beta testing, which took place over a period of several months, led us to conclude that the market for our new product offering, Collaborize™, was indeed real, and likely to grow over time. The beta testing also gave us valuable feedback regarding usability and user interface design, leading us to delay our plans for publicly launching the product while we completely streamlined the application. The result of these efforts was that on March 22nd, 2010, we successfully launched Collaborize into the marketplace at the prestigious DEMO technology conference in Palm Desert, and received a multitude of very positive reviews from many varied sources.

In conjunction with our plans to launch Collaborize, it became apparent that our commitment to this new direction warranted a complete re-positioning and rebranding of our company, as one dedicated to taking social networking from simply being “connective tissue,” where people get to see who they are connected with, to “*social networking with purpose*,” a theme which we believe represents the future of online social networking. This commitment became manifest in the renaming of our company, from Burst.com, Inc. to Democrasoft, Inc. Our new name was officially announced, in conjunction with the announcement of our new ticker symbol, DEMO (or DEMO.PK) on April 26, 2010.

The launch of Collaborize at the DEMO.com event in March was the starting point of a marketing campaign that spans events, partnerships and the Internet to develop a sales pipeline and generate brand awareness. There are additional opportunities for shareholders, investors and other interested individuals to engage with Democrasoft and the Collaborize product to get information and support our marketing and branding efforts via,

- the Democrasoft website at [www.Democrasoft.com](http://www.Democrasoft.com)
- the Wisdom of We blog at [www.WisdomofWe.com](http://www.WisdomofWe.com)
- our Twitter stream at [www.twitter.com/Democrasoft](http://www.twitter.com/Democrasoft)
- our Facebook fanpage at [www.facebook.com/Democrasoft](http://www.facebook.com/Democrasoft)
- our Youtube Channel at [www.youtube.com/Democrasoft](http://www.youtube.com/Democrasoft)

We invite you to join us at these online destinations and let your contacts know about the Collaborize product and Democrasoft.

While we have definitely been focused on our new direction as Democrasoft, we have not forgotten about the intellectual property that we developed over the past years as Burst.com. Behind the scenes, we continue in our efforts to monetize our patent portfolio in the most efficient and profitable avenues available to us. In 2009, those efforts resulted in roughly \$2.6 million in revenues. While there can be no guarantees, we hope to add to our coffers in a meaningful way in 2010 through the further monetization of the Burst patents. We will of course keep you updated to any important developments in that arena.



Looking back over the past 2 years, it is clear that the close of our litigation activities at the end of 2007 was far from the end of our activities as a vital company. Our post-2007 licensing revenues increased our working capital and validated the marketability of at least some of our intellectual property. But the real question was: Could our company again lead with cutting edge innovation that not only held the promise of significant shareholder value, but also would allow us to contribute to our society in a very meaningful way? We believe that the answer to that question will become increasingly apparent in 2010 and we are very excited about the opportunities that abound as we pursue our goals.

We have posted our complete year-end financials for the year 2009 on our web site: [www.democrasoft.com](http://www.democrasoft.com). However, for your convenience, enclosed with this letter as part of the Annual Report, are the year-end Summary Financials for 2009.

Thank you for your continued interest and support!

Sincerely,

A handwritten signature in blue ink, consisting of a series of loops and curves, representing the name Richard Lang.

Richard Lang  
Chairman, Co-Founder & CEO