

Larry Myles Reports

Larry Myles Reports: A Tale of Two Companies

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Working to Succeed...

The *Taking* of OneMove – Econveyance™

Last week a subscriber asked if my criteria for selecting a junior *exploration* company could be successfully applied to companies in the *junior business and professional services* sector. He was of course, referring to a report I had written earlier in the year:

“For more years than I care to remember, I have been asked by new investors exactly ‘how’ I select one junior exploration company over another.

*For me the answer to that question was based on three fundamentals – a strong and experienced **board of directors**, a **property of merit** and a prudent amount of **money in the bank**. An easy formula – and coupled with investing only in North America, a pretty safe bet from my point of view. But as more and more investment opportunities presented themselves far beyond the borders of my comfort zone, I had to add another ingredient to the mix – CRA (Country Risk Analysis).”*

The answer of course is *yes!* Or at least it is in the case of [OneMove Technologies Inc.](#) (TSX.V: OM). 52 week trading range: \$0.04 - \$0.37. And yes, I am referring to a junior **tech** stock, because it is all about *timing* and *opportunity*.

As most penny market investors know, 2008 has been abominable; possibly the worst year in the last five. This summer has been particularly unrewarding, especially for those of us who invest in the junior resource market. Over the last three months, my readers never seem to tire of sharing their stories of lots of pain...and very little gain. The steady erosion of share prices in a stagnant metals market, stalled or cancelled financings, and players large and small exiting the market, heading for the sidelines.

Many market analysts, news letter writers and other pundits anticipate the resource markets will rebound in the last quarter of this year. For the record, I agree with the experts. Yes, the resource sector will indeed rebound and we should all enjoy a more lively market. My only real concern is that this entire year have brought us higher energy costs, a rise in food prices, a continued slump in US housing and a credit market crises – that may mute and subdue performance from the resource sector. Instead of a rebound, we may simply enjoy a small bounce.

Okay, so what is an investor to do? Clearly, one option is to follow the mass exodus of junior resource investors who have moved to the sidelines. A few of my subscribers have indicated that they have retreated into the safety of the money-market funds. I guess that could be considered a prudent game plan; head for a safe harbour during these volatile

economic times. *Huddle safe, guard the dollars and wait out this period of uncertainty in the resource sector.*

Personally, this kind of do-nothing strategy sets my teeth on edge. I have been investing in the junior markets for over three decades and huddling on the sidelines during a tough market - or in this case, a stagnant market goes against the grain. You cannot make much money *huddling*. It is time for a 'working to succeed' strategy.

"Working to Succeed' or simply...Shifting Gears

Generic header aside, working to succeed translates into a basic two-pronged attack on the market. The initial phase I have already put into action – remaining in my comfort zone and scouring the resource sector and coming away with a handful of share purchases at bargain prices. Phase two required some work – prowling the other sectors in the hopes of finding a strong pulse.

This is where I am happy I have a constant exchange of information and ideas with my readers. When I was asked "if my criteria for selecting a junior *exploration* company could be successfully applied to companies in the *junior business and professional services* sector", I answered in the affirmative, but also had the wit to ask what company he was referring to.

His answer returned me to a sector of the market that I have not revisited since I had hair. After a many hours spent in research I came away with what I feel is one of those 'soon to be discovered companies', 'diamond in the rough companies' (or select your own favourite, but much hackneyed 1990's phrase). What matters is that after more than a decade away, I have stumbled upon a junior high tech company that (imo) is within spitting distance of being taken over by an industry giant. When it comes to OneMove Technologies Inc. (TSX.V: OM), the *timing* is right and the *opportunity* is right in front of us.

"OneMove Technologies Inc. is....dinner"

In this tale of two companies, I intend to present a case that will result in the takeover of OneMove, currently trading at \$0.08 by [Teranet](#) (TSX.TF.UN) currently trading at \$9.75.



"OneMove Technologies Inc. has a lock on the platform"

In a nutshell, OneMove *owns* the technology that would greatly benefit Teranet. But rather than get ahead of myself, let us look at the evidence.

OneMove Technologies Company Profile

OneMove Technologies Inc. (TSX-V: OM) offers a leading real estate transaction platform. Through the consolidation of data, OneMove's **proprietary** web-based conveyancing software solution, econveyance™, facilitates efficient

communication between all parties involved in the process of buying and selling real estate in British Columbia, Canada. E-conveyance links lawyers, lenders, insurance companies, buyers and sellers, offering a secure and efficient means to seamlessly complete and monitor real estate purchase and sale transactions online. With all the documents in place, **a real estate transaction could be successfully concluded within 15 minutes.**

OneMove's Goal

To be the end-to-end solution provider of choice for all of those involved in the process of buying or selling real estate.

OneMove is committed to:

- Creating a unique service by using advanced technology and building strategic partnerships
- Reducing time to completion of a real estate transaction

OneMove offers a straight forward plan and realistic goals. The Company has been in the field for six years and their product *works*. First off, their software is proprietary – in other words, they have a dynamite property! And remember... **a real estate transaction could be successfully concluded within 15 minutes.** (Note this important point when we move on to how Teranet attempts to explain how their version of service works.)

For those of us who enjoy an involvement with resource companies in British Columbia, doing business over the internet is nothing new – publicly traded companies submit their filings electronically. As well, BC has replaced its traditional claim staking method with an internet based system. No longer do prospectors need to drive stakes into the ground to mark their claims, nor do they have to visit a provincial Mineral Titles office to register their claims – staking properties is as simple as logging on to the internet.

I suppose it is also important to mention that whether it is a publicly traded company, or a free miner staking a claim – filing *electronically* is now mandatory. This will soon be the case for all real estate transactions within the province of BC.

Land Title and Survey Authority of B.C. states that electronic filing of completed conveyance documents will be *mandatory* by 2011.

For those of you who live outside the borders of British Columbia, some background information on BC's thriving real estate market:

- 800,000 residential real estate transactions conducted annually
- Past transfers of information between service providers and consumers inefficient
- Market driven initiative toward paperless transactions
- Electronic filing of completed conveyance documents **MANDATORY by 2011**

"Where's the Blue Sky..."

So far, so good. But perhaps you are asking the same question I did when I started my due diligence – where’s the blue sky? My first thought was (imo) the obvious – Canada wide franchise opportunities for OneMove Technologies Inc. After all, their market share in British Columbia has grown from 300 monthly transactions six years ago when they started to currently 6,000 transactions per month. And what works in British Columbia should be a natural in the province of Alberta – and all points east.

However, it took a little more digging before I locked on to [Teranet](#) (TSX.TF.UN) currently trading at \$9.75. Visiting the Teranet website, I discovered:

Teranet offers e-services to the legal, real estate, government, financial and healthcare markets. Combining our focus on customer needs with technical sophistication and operational simplicity, our comprehensive products and services include property information, transaction management, collateral risk management, geospatial information, workflow software and enterprise solutions.

And according to Chris Valentine (Director of Corporate Development), utilizes similar software to OneMove for online property information and registration in the province of Ontario. According to Valentine, “We operate the Land Registry Office on behalf of the government of Ontario, including registering and searching properties, and writs of execution.”

Valentine goes on to say (and this is important)...“When one references our system, it’s a **series of systems** depending on who you are. If you’re a **real estate agent, you use one system**, if you’re a **lawyer you use a different piece of software** that we provide.”

Valentine readily admits that unlike OneMove, the Teranet system does not encompass one software platform and “there are different applications for different professionals.”

As well, it appears that **90,000 professionals** that Teranet serves **cannot communicate** with each other through their platforms, but “that would be the direction that we’re going as an organization.”

Okay, let us go back and track some more OneMove information and compare. OneMove, in order to get its land title information, has an exclusive relationship with BC Online, a government-run web portal that has access to land title searches and land title registration filing. In turn, BC Online is licensed to Access BC, a subsidiary of MacDonald, Dettwiler and Associates Ltd., from which OneMove accesses more than 37,000 registered customers in the BC Online database.

Allen Crawshaw of Access BC says “OneMove’s proprietary software is a document management system that looks after all the technical aspects of land conveyance.” Crawshaw adds, “The OneMove system saves an enormous amount of time...reduces error in that people aren’t rekeying information, and also boosts the number of transactions that can be completed.”

Here is a final quote from Teranet’s Chris Valentine, “Our next go-around is really not so much building an application that ties it all together...it’s a bit more powerful in our mind

not to try and change everybody's behaviour, but rather **deliver the value right in their application.**"

So how it appears to me, both Teranet and OneMove Technologies Inc. have been able to offer solutions in cutting down the paperwork involved in concluding a real estate transaction.

But from where I sit, it appears to me that OneMove's system offers **"a real estate transaction could be successfully concluded within 15 minutes."** Whereas Teranet is still looking to....**"deliver the value right in their application."**

When I initially looked at OneMove, my thoughts were focused on 'nice regional company that with some hard work and time might be able to franchise out from British Columbia to all points east.' And who is to say franchised expansion is not in the cards. But I don't think so. OneMove's proprietary software is (imo) a 'must-have' product.

My final piece of evidence comes directly from market trades. Over the last few trading days, OneMove Technologies Inc, has traded over five million shares on very little news. As well, Teranet had to put out a release claiming the Company did not really have any idea why their volume had spiked. In my opinion, something is brewing...and I'm betting it will be Teranet taking over OneMove Technologies Inc.

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"We can evade reality, but we cannot evade the consequences of evading reality."