

Brokerlynx Chat live event Summary-April 2005

87 representatives from 33 companies attended the first annual "Chat Live" Event hosted by Brokerlynx.net a subsidiary of Oxygen Electronics, in Las Vegas, Nevada on April 9th, 2005. Topics ranged from ESD and Packaging Quality Standards to the handling of problems associated with Counterfeit and cloned product. The presentations were followed by a heated and impassioned debate! "We are pleased not only with the numbers that turned out but also with the caliber of individuals, organizations, and ideas that were represented at the meeting," stated Didier Bachaumard

Brokerlynx.net

Didier Bachaumard, co-founder of both Oxygen Electronics LLC and Brokerlynx.net opened the meeting by recapping the past performance of "The LYNX:"

Members: 2,644
Threads: 3,194
Posts: 14,935

Threads are the number of reported companies and counterfeited parts posted. Posts are the individual responses to each Thread.

Didier introduced the afternoon agenda as well as the other participants and organizers then stepped aside to create a true open forum.

Trancentrix

Omar M Serghini, a representative from Trancentrix, an on-line wire system made the initial presentation highlighting the benefits of desktop transfers. The advantage of the system allows for greater tracking of the wire as well as offers superior control over transaction timing optimizing the currency conversion rate and eliminating the possibility of having a financial institution select the highest rate to clear that same wire. Once in the system, all vendor information is easily retrievable and all future wires are expedited. Oxygen Electronics LLC made clear that they had been successfully using the system for over a year experiencing not only a substantial decrease in managing the conversion costs but enjoying a 30% reduction in wire fees.

NJMET

ESD

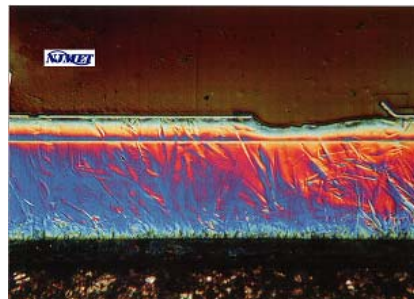
Joseph Federico spoke next and started a debate by asserting the importance of ESD in our environment. He cited the lack of ESD bags for parts that he is receiving on his dock particularly with products coming from China. Some of the products are coming in Styrofoam boxes. (see below)



Improperly packaged parts can cause a myriad of problems and the consequences are disastrous. Bent leads along with static discharge can alter the performance of the parts in the future.



A component that has been hit by an Electrostatic discharge may work but will be exposed to failure in the future. Joe Federico explained that we could compare the Electrostatic discharge to a small rust spot on a car. Although seemingly insignificant at the onset, the small cut that we may have in the wire or the wire bonding can grow and cause failure for the part. See below



This picture is the perfect example of Electrostatic discharge on the lead inside the part.

In conclusion: ESD is a significant factor in the failure ratio of a part demanding the question: "Should we create a standard of ESD protection for the independent distributors? ..." There were no immediate answers to this question. Based on the fact that an Integrated Circuit traveling from "A", the manufacturer, to "Z", the end user will be handled by a multitude of companies during the shipping or receiving process, each company at every level must have good protection against Electrostatic Discharge.

Counterfeited parts

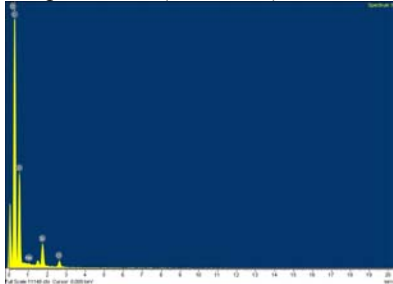
In the past 3 years, the number of counterfeited parts has increased and is an indication of a growing problem. Counterfeited parts include all the parts that are not functioning but also cloned parts that are functioning like the original: we call them substandard. If a customer is buying a Motorola part, he doesn't want to buy an unknown brand that may work during all the testing but that may fail during the lifetime of the product. Joe Federico proposed the idea of allowing members to use product from China to accommodate the industry demand. This position was quickly disputed by a large number of comments and considerations. The Independent distributors agreed to not sell those parts to the final end user. Tom Sharpe from SMT was very categorical about this decision. "We will damage our reputation if we start going into this direction".

See Maxim with Cypress Die

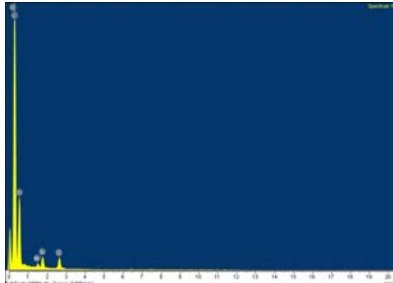


Everybody agreed that the counterfeit problem was coming from China. The response from Benny Garcia of Electronic Expeditors was to stop buying from China. Although dissenting positions such as *“Our buyers have the responsibility of procuring their entire bill of materials. If we do not enlighten them on all availability (including Asian markets) and all factors of the sale i.e. location of source, terms, etc. then we will run the risk of losing a customer to the next supplier”* said Jeremy Brown from Galaxy Components. Jens Gamperi from Consumer Electronic deals with the problem stating, *“We are testing all the parts coming from China”*

Joe Federico stressed the problem of substandard parts. *“The only way to identify the Original part from the Clone is to perform a material analysis of the suspect device versus the original device for material comparison”*. (See below)



Original



Cloned Parts

Today stocking distributors are buying parts in bulk from their respective customers. Within the hundreds of references purchased and received there is no guarantee that they are not going to discover Cloned or Counterfeited parts.

“We all need to give an extended warranty to what we sell” said Ed Wixted from SMT Corp. after debate and *“stand behind the product we sell”*. To this end, the members of Brokerlynx.net are continually reporting and monitoring references of counterfeited products. The question arose about the establishment of an agreed to referencing chart and the initiation of an industry license to sell IC. This charter could include a product warranty (6 months to a year) and require a process for shipping and receiving parts. *“Starting with the way we handle our ESD system internally to the manner in which we package our goods for shipping with a minimum requirement that we can call license to sell.”* said Didier Bachaumard from Oxygen Electronics LLC. We all know that the “broker” market doesn’t want to be governed by any rules concerning the right to sell but this is a much bigger debate. The debate continued well after the “Chat live” ended and well into the corridor after everyone had left the hall.

“I did not know what to expect regarding the attendance of the first “chat Live” said Didier Bachaumard *“but it’s very encouraging for next year. We know today that the brokers/independent distributors are interested and are aiming for more quality in what we sell”*.

Although there were no decisions made nor any actions agreed to, the unique opportunity of an open forum gave us a great chance to express ourselves within and about our industry.

Find below some of the comments and concerns voiced by the brokers/ independent distributors in Las Vegas.

- 1-What should we do with the counterfeited parts? Should we destroy them? Should we send them to a location and store them within an organization?
- 2-If we talk about a license for selling components, what should be the criteria?
- 3-If an internal quality system in our industry should be put in place what should we base it on?
- 4-Should we all decide not to pay the vendors in Asia TT in Advanced?
- 5-Should we ask the laboratories doing the testing to share the information when they identify counterfeited parts?

All those questions can be the basis for next year’s debate in 2006.

Special thanks to:

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Original

Elt	App	Intensity	Wgt	Wgt	Atom
	Conc.	Corrn.	%	%	%
CK	65.58	1.1350	58.05	0.29	65.33
OK	20.94	0.5269	39.91	0.29	33.72
Na K	0.10	0.8504	0.12	0.03	0.07
Si K	1.35	0.9442	1.45	0.03	0.70
Cl K	0.38	0.8209	0.47	0.02	0.18

Cloned

Elt	App	Intensity	Wgt	Wgt	Atom
	Conc.	Corrn.	%	%	%
CK	136.67	1.1467	62.75	0.33	69.87
OK	32.26	0.4837	35.11	0.33	29.35
Si K	1.33	0.9377	0.75	0.03	0.36
Cl K	1.43	0.8242	0.91	0.03	0.34
Br L	0.71	0.7771	0.48	0.04	0.08

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