

Interview with CEO Jim Ackerly

Mike: Jim, as CEO you just announced a new hire in Jeffery Knapp. Can you tell us why you chose him for such an important role on your Team?

Jim: We worked with Jeff when he was with his previous employer, On Net Surveillance Systems. On those projects we saw how he worked and he got to see firsthand how our IP-based software really is the best solution to a very serious problem. Jeff is a true professional in this sector and immediately saw the potential DFTC has in making our technology the industry standard. Keep in mind that in the Threat and Response world, there is no single standard that all the players agree on or use. Some sensor manufacturers use software that will only work with their sensors and not with others. Our platform can connect to many different sensors and other types of inputs, and the outputs – the messages we send to first responders – are in a common format that everyone uses. That makes us a unifying force.

Jeff was brought in to expand on our customer base with the large integrators of security systems and other specialty contractors such as the ones using OnSSI software. With his experience, we expect much greater penetration with large national firms. I am very excited he is with us.

Mike: DFTC has had some hospitals as customers. Why hospitals and can we expect them to be a good source of business in the future?

Jim: Great question! Hospitals happen to be surprisingly open, relatively accessible depositories of radioisotopes. That is where all the radiation treatments for cancer occur. Hospitals exist to cure the sick and they certainly don't want to have been the source of a key component that harms anyone. They recognize this as does the Federal Government, which has programs underway to protect these sources of dangerous materials. It is underway and I am optimistic that DFTC will land more hospitals soon!

Mike: DFTC in the recent past has announced a new SmartPhone initiative. This seems to be a very different path from dirty bomb detection. Can you explain why DFTC is moving in that direction?

Jim: It is an expansion rather than a change of direction and while it does seem different, in reality it is just applying our EXISTING technology for radiation detection and response to another potentially hugely lucrative sector. Our core rule-based messaging technology is already in production. It is robust and sophisticated enough for handling responses to serious homeland security events. With that as a base, we are adding other kinds of detection to the mix. A SmartPhone is a device with a huge installed base; I understand there are 100,000,000 Apple iPhones in use today. With our new application, DefenCall, any one of them can signal that they have a problem and get an immediate response from responders each user gets to

designate. That's the beauty of the opportunity here at DFTC. In DM3™, our central platform, we have a core technology asset that can be applied to many markets beyond radiation detection, and we are seeking out those markets to be exploited. We have invested heavily in the development of this management and messaging system and it works well. So, finding additional markets in which to deploy it makes perfect sense. Wouldn't you agree? The personal emergency response area, as represented by the SmartPhone initiative, is but one of these markets.

Mike: Well, does that mean there are other business segments out there you are going after?

Jim: Absolutely! We have already signed up Mayday360 as a customer for the travel related security market. The personal security business is a multi-billion dollar business in the US.

What we can do in this market, as we do in others, is reduce the time between when something bad happens and when those who need to know about it hear about it. AND, we provide information about where it happened – the coordinates of the event – along with other data. So, responders can act fast and with the knowledge they need. For instance, there have been several well-publicized and tragic events on school campuses in recent years. Columbine and Virginia Tech come to mind. I am not an expert on either why these events occurred or how a response should have been handled. But I do know that if students had been using DefenCall, more information would have reached the correct responders rapidly. Also, if any individual student finds himself or herself in a difficult circumstance, DefenCall will allow them to signal campus authorities and get help. We are not talking about physical assault only here. Students with peanut allergies, diabetes, or other chronic medical issues can send for help when they become symptomatic.

There are well over 10,000,000 students in US universities. That is a huge and fertile market opportunity for us.

Mike: You mentioned that your technology is really that unique compared with your competitors. What gives DFTC that comparative advantage?

Jim: Our solution is robust and flexible. It was created for the Homeland Security level of reliability and response. We can handle a large number of problems at once and be confident that messages will get through reliably to those who can help; which means that our customers can count on a reliable set of messages when they have a problem.

The system is easily configured so that our customers can get exactly what they want in response to whatever threat is detected. In most cases, there is no need for a customer to buy hardware, as our system is offered as a service, and, we connect to both the customer security system with its cameras and the public networks for worldwide messaging.

We say our platform is “sensor agnostic” meaning our software will work with ANYONE’S sensors! This is a huge distinction that really separates us from our competitors. That is part our secret sauce, if you will. Further, we plan to maintain our system so that the sensors developed in the future will be compatible with the Defentect solution.

Mike: How would you respond to the charge that your Smartphone application is nothing more than a “\$0.99 iPhone app?”

Jim: Easy! Our application itself is actually free. What we are selling and collecting money for is the service the application connects to. Remember all that talk about how we offer management and messaging? I said that because we do not think of ourselves as a sensor - even though we do offer radiation sensors - or an application company - even though we offer an application - but rather the provider of a timely and informed response. We sell the service on a monthly or annual basis. A 99 cent application doesn’t connect to us and can’t function the way our system does.

DefenCall is not a game, even though it lives on an iPhone next to what might be many games and amusing toys. DefenCall is a serious security application. Think of it this way: even though adult garden tools and toddler garden toys are sold in different stores in the mall, Apple has made it so that all applications which run on the iPhone get shelf space only in their store. So toys and tools are next to each other. You can also think of it this way: using a telephone, you can call an old friend and have a shallow chat about nonsense, or you can call the police to report a serious crime or get help. Same phone; different function.

Our goal is not to sell a few apps in the iPhone store. We have noticed that there are 100,000,000 people who can have our security service without their having to buy ANY hardware. We want to sell them a monthly service – and not for 99 cents.

Mike: Any parting words?

Jim: Mike, it has been a pleasure to talk to you, as I know that hiring a new president and moving in a broader corporate direction may be confusing to the public. I hope I have cleared some of this up. Jeff Knapp is a great addition to our team, with security industry and general management experience we expect to benefit from greatly.

Our additional direction into personal emergency response fits well with our existing technology and is projected to be a terrific source of revenue for us.

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