



Company Background

In 2001, Mr. Joseph Carey founded Fidelity Comtech (FCI) as a private Colorado Corporation. The company began design and development on a family of robust programmable outdoor RF amplifiers, and introduced them in 2002. FCI continues to sell the RF Amplifiers today with over 4,000 installed around the United States.

In 2003, FCI was awarded a National Science Foundation grant to develop a low cost phased array antenna for the U.S. Government. FCI delivered the first Phocus Array System incorporating the FlexVMT™ technology in 2004. A patent was awarded to FCI in 2005 for the FlexVMT technology and initial first generation government systems shipments were made. The Phocus Array System also achieved MilSpec 810F compliance (durability) for the Department of Defense for use in field operational mobile units.

To begin to move the Phocus Array System into our commercial business, in 2006, FCI began a commercial operational trial using a modified government version of the Phocus Array System. Late in the year, FCI received FCC Certification on the first generation Phocus Array System product.

Early in 2007, FCI was nominated by the U.S. Air Force as the small business SBIR Prime Contractor of the year. Also early in 2007, FCI began using the 2nd generation of the Phocus Array System hardware with a new version of software for the U.S. Government. The

new version added significant processor power improvements (a new Intel XScale processor and additional memory) to handle sophisticated GeoLocation calculations. This was crucial to provide the necessary improvements for the ever expanding U.S. Government applications and usage.

Adding to the commercial RF Amplifier product line, FCI worked closely with the SCSPA (Port of Charleston), to define and test version 2.1 of the Phocus Array System during beta trials for commercial maritime port applications. A majority of the release's new features were defined/requested by the Port of Charleston for their maritime port container operations. Because of the compelling nature of the product, many beta products were sold in 2007 to maritime port container and auto processing yard operations, and universities for wireless research. Phocus Array System shipments last year for first generation released hardware and second generation v2.1 beta products to commercial customers were approximately sixty units across numerous sites primarily to U.S. customers.

In January of 2008, FCI achieved FCC certification on the second generation of the hardware for the Phocus Array System. January 23rd, 2008 Fidelity Comtech publically announced the official release of the Phocus Array System to the commercial marketplace. In June of 2008, FCI signed its

first commercial FCI Authorized Reseller for the "America's".

After three years of Phocus Array System sales, FCI currently markets two major versions of the Phocus Array System in addition to the company's programmable outdoor RF Amplifiers.

The U.S Government version has special features for their applications that include desert sand coloring, an XML-RPC software interface, a custom level of security, and Geo-II™ GeoLocation/direction finding line-of-bearing capability. High precision Geo-III™ location server software is being delivered to select government customers and projects.

The commercial version of the Phocus Array System includes commercially requested features like remote software upgradability, remote administration and management, web-browser based GUI interface, SNMP, WPA/WPA2 security, and more.

Our future direction includes migrating many features and capabilities initially introduced on our government product line to the commercial product line in a way that is commercially viable to address commercial applications. We focus on the intermodal, freight and auto logistics as our commercial beachhead markets.

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