

IxRIS

“Integration Transformation of Remote Identification Solutions”



Transforming RFID into a cost effective solutions.

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Non-Disclosure and Confidentiality Agreement

The undersigned ("Recipient") hereby agrees that all financial and other information ("Information") that it has and will receive concerning IxRIS is confidential and will not be disclosed to any individual or entity without prior written consent. The Information shall remain the property of IxRIS and shall be returned to IxRIS promptly at its request together with all copies made thereof.

Recipient acknowledges that no remedy of law may be adequate to compensate for a violation of this Agreement and Recipient hereby agrees that in addition to any legal or other rights that may be available in the event of a breach hereunder, IxRIS may seek equitable relief to enforce this Agreement in any Court of competent jurisdiction.

This is an executive summary for IxRIS and does not imply an offering of securities.

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The Problem:

Today's companies and organizations face many overwhelming problems in today's global economy. Banks suffer from check fraud and counterfeiting, Manufacturers suffer from inventory control and chain management, businesses suffer from asset tracking, government suffers from fraud, waste and counterfeiting as well. Construction companies suffer from equipment theft of items costing more than \$250,000.00 per unit.

The industry offers solutions based on RFID to help these companies contain or offset the issues above. This solution however is expensive, often costing these organizations \$.75 cents to \$5.75+ per unit to implement.

The Solution:

Remote Identification Solutions. This technology is extremely cost effective and works via RF or Radio Frequency. This solution can cost as little as \$.01 cent per unit to \$.09 per unit. This passive solution is extremely cost effective.

Simply looking at a small subset of our market the automotive industry. IxRIS can integrate our RIS solution to into automobile from a DMV perspective. We simply integrate our technology into the Registration Sticker, Inspection Sticker, License Plates and into high theft items of the car or truck. This allows the State to track and police this segment more effectively. How do you ask? Simple, IxRIS supplies a detector to each police unit that can instantly scan and verify if the car driving in front or behind the cruiser has a valid registration & inspection sticker, valid plates and all items recorded on this vehicle are not listed as stolen. The solution in the police cruiser is linked up to a powerful back end database solution hosted by IxRIS. This solution contains information on the car from a DMV perspective, one of eight databases hosted by IxRIS.

Another example is the banking industry. Using our RIS solution, we can embed taglets into the actual paper used to make money or checks. This ensures that each unit is unique and impossible to counterfeit. Each bank or store would have a scanner that would be able to identify that the check or currency was indeed original.

Passports and official papers would also be able to have this same technology, preventing people from obtaining and using false documents. With this technology we could embed the RIS technology into a state drivers license to create a standard license linked to a back-end database available to all states. This solution again would be hosted on a database managed by IxRIS.

We can meld this technology to metals, placing it on shipping containers to allow rapid scanning and tracking of containers within the US and abroad. As stated earlier we can embed the RIS technology into papers and glues. The beverage market is another area were our technology can aid in tracking and aging inventory.

The markets and opportunities for IxRIS are endless for this new technology. IxRIS has a distinct advantage at this time via our experience, technology and price point. IxRIS will approach the market in several strategic phases. With each segment, IxRIS will create a sub-organization that will specialize within each market area.

The first phase will have IxRIS approach large retailers like Wal-marts. Having Wal-mart adopt RIS has a unique effect of achieving additional revenue streams from its manufacturers. Wal-mart traditionally due to its size forces its manufacturers to adopt solutions that are strategic to Wal-mart itself, RFID being such one solution.

IxRIS will next focus on the banking industry and treasury department to eliminate counterfeiting and bank fraud within the US via RIS. This will be approached by John R. Jensen – Honorary Chairman of the Congressional Committee. John will use his contact within the IRS and Government to help lobby and achieve the acceptance of this solution within these two critical segments. Once complete, IxRIS will market these same solutions to other financial industries within the US.

The third phase will in be the automotive and transportation industry. Again using political avenues available to IxRIS, we will again effectively lobby within both Federal and State government to achieve the adoption of RIS for DMV police agencies, transportation and shipping. This technology will enable these organizations to achieve greater revenue streams while enhancing revenues for IxRIS.

Homeland security, IxRIS will use these same political channels to have the Government use RIS to track Passports, VISA's and other official documents to prevent counterfeiting and unauthorized access to the US. This solutions may also be linked to the IxRIS Database solution to correlate data from the DMV, IRS, Banking, etc... to verify an individuals background and other traits.

New Products in Development:

1. Various detectors and scanning solutions.

Pricing: “work in progress”

1. Current Target Pricing is \$.09 cents per unit

Partnerships:

IxRIS desires to partner with an investor(s) that shares its vision, drive and desire for success to dominate this new market. IxRIS leadership has built an exciting services offering that is unlike any at the time of this writing. With the ability to deliver advanced Enterprise solutions, Global data replication , powerful Digital solutions, IxRIS is poised for success.

IxRIS will leverage partnerships that are currently in place with IxRIS, SysTMS LLC and GotLDAP. These relationships will be leveraged to give IxRIS an extreme competitive edge in this new market. With proven Best Practices, and methodologies, IxRIS will take over the RFID market as a force of nature.

Job creation:

The organization seeks to hire employees who possess skills in the top 30% of the industry. They will benefit from a methodology refined by the leadership that will standardize management, delivery and mitigating risks facing the competition in this market. Once the new hires deliver at preset expectation levels, they then benefit from a unique employee centric benefit program. All employees are provided with a fair base compensation, including the ability to earn considerable compensation via increased utilization (chargeable client add-ons), influenced sales, recruiting strong team players, identifying opportunities and supporting the sales team.

Management believes this compensation is a key component to accelerate this organization to the desired level necessary to ensure customer satisfaction. As the company grows, those employees displaying leadership potential will be selected and rewarded for their continued ability to grow new business, area's of opportunity, teams and revenue.

IxRIS will create 240 US Jobs in this next three years, with potential for 1600 by 2010. As the subscriber base grows, IxRIS will add US jobs as needed.

Opportunity:

The opportunity is significant, we are currently seeing the leading edge of a new trend. IxRIS is clearly primed for this opportunity via the technology and methodologies built by IxRIS, LLC during its three years as a leader in the Business Continuity market.

Currently the majority of American companies and agencies suffer some type of issue that IxRIS could relieve via RIS. The opportunities are extensive for IxRIS, and with its extreme advantage IxRIS it will be able to capitalize each market segment to its fullest potential with proper capitalization.

IxRIS services will be based on a subscription and license based model for one, two or three year service. IxRIS will market additional services to these clients, and in addition provide incentives for them to sign-up their family and friends for this exciting business.

IxRIS has built a cash flow model for this business based on the subscription model above. IxRIS will be able to generate significant revenue streams based with the target markets described earlier. The revenue streams are estimated to hit seven figures with the first 8 – 10 months of business based on IxRIS subscriber numbers. Investors in IxRIS would see gains of 20% – 45% over the course of 24 – 36 months.

This is due to the explosive growth of this market, and capitalizing on the leading edge of this trend, and maximizing the advantage IxRIS via its best practices, methodologies, technology and management team from IxRIS, LLC.

Opportunities Lost:

Lost profits, lost jobs and untapped revenue streams. IxRIS, based on SysTMS, LLC methodologies and resources has the tools and the ability to tap into and grow opportunities via its dynamic solutions.

The True Opportunity Lost!

IxRIS will create hundreds of US jobs over the next three years, simply looking at the initial model. IxRIS using conservative models would be able to grow hundreds of good paying US jobs over the next three years. Without IxRIS, this void in technology will give way to foreign jobs, and foreign solutions providers. The opportunity lost is simple in the end US technology and jobs.

Justification for Loan/Investment

IxRIS has chosen to pursue Angel Funding, Government, IDA, Empire Funds, and Venture Capital to provide necessary capital for expansion. The company seeks a \$3,750,000.00 in staged loans to be repaid as follows:

1. Interest will be paid out annually at 10% to 40%
2. The loan will be called within a three to five year period for face value:
 1. With option the loan is paid out in cash at face value
 2. With option the loan is paid out 50% face value, and the other 50% in preferred stock

The loan will be collateralized using IxRIS preferred stock options, inventory, property, and equipment. This capital will be used to satisfy the company's initial requirements as set forth in the Capital Plan section of this Executive Summary.

ROI

The ROI model is simple; an investment in IxRIS will result in a 20% to 40% return in your investment (paid quarterly), in addition to monies made on dividends, which could result in a net return of 50% or greater. You would received your original loan, and the return on investment as soon as 12 months to 24 months.

Capital Plan:

IxRIS intends to borrow or create a 3.75 million dollar line of credit to expand and grow IxRIS over the next three years. IxRIS will in the 1st Quarter of business borrow against this line of credit \$750,000.00 US Dollars to build out the facilities, lease temporary sites and start marketing plans for its rapid expansion plan.

IxRIS will borrow another \$1,250,000.00 US Dollars for the second Quarter, initiating its marketing and lobbying “Blitz”, executing its expansion plan. This will be used to secure the first set of clients. IxRIS will then borrow an additional \$500,000.00 US Dollars to gain an additional clients to sustain revenue and growth targets.

IxRIS will only borrow the funding needed to jump-start / grow this business.

If IxRIS in the second year needs addition funding for growth there is sufficient credit / monies left in the line of credit to borrow against. At this point, IxRIS should be fully self funded and free from debt.

The fast track option is to borrow 3.75 million dollars upfront, however this money may not be necessary, and would introduce unneeded burden on the company. Projections show the company being able to execute and become cash positive in Q3 / Q4 its first year out. Repaying 65% of its debt in year one.

Marketing Plan / Objectives (Short Version)

IxRIS seeks to capture conservatively 35.0% of the perceived “RFID Market” by year end 2007. This percentage is fairly difficult to quantify, as this arena is currently in a state of flux primarily due not only to the dynamic changes occurring in the Information Technology arena, but also the credible players that will emerge to meet these needs.

This conservative percentage is based on known empirical market research, and does not factor in the exponential growth that can be attained by incorporating a multi-tiered marketing effort. This effort is designed not only to position IxRIS as a premier RFID entity, but also to allow IxRIS to redefine the definition of “RFID Market” with the emerging marketplace will accommodate it’s additional services. IxRIS has identified the lucrative area of “RIS based RFID”, concentrating on lucrative area's of this market.

Corporate Identity Program

The initial thrust of the IxRIS marketing plan begins with a complete corporate identity program designed to position IxRIS in the marketplace and establish recognition of its corporate name with its sale-able attributes.

Mnemonic Device - Our proposal begins with defining the word IxRIS as a synonym for leading edge “RFID Market and beyond”. This brand recognition strategy has worked successfully in brand identity programs where the corporate entity being marketed is seamless to the end user. Examples of this would be corporate entities like Intel, BASF or ADM. For example, the end user consumer identifies a quality computer because of “Intel Inside.” Or BASF successful marketing campaign spotlighting all of the products one uses everyday, which is made possible because BASF is a supporting component. ADM has smartly occupied the position of “We Feed the World” from a corporate entity that really feeds the food service industry. This seamless alignment is a perfect strategy for IxRIS as IxRIS is known by the company that it keeps. For the customers and corporate alliances developed by IxRIS, the identity of having IxRIS on board will reflect the peace of mind to those customers knowing that the IxRIS solution is working for them 24x7.

- **Positioning Line.** The IxRIS positioning line is imperative to the success of its advertising and marketing campaign. This line becomes the paramount advertising objective to solidify that brand name of IxRIS with a short, quick quip that instantly identifies the core business of IxRIS. For example, some of the better positioning lines in our opinion are General Electric (“*we bring good things to light*”) which perfectly transcends the sleepy old light bulb manufacturer into a multi-faceted, profitable global entity. Our current thinking is to assimilate IxRIS with the marketable concepts of “*working smarter*,” “*and*” “*always on*” to identify with the emerging, fast growing and lucrative *RFID* environment. IxRIS has several positioning lines for consideration; and selection on a line will be determined from market research against our target customer base.
- **Creative Platform.** The creative platform of IxRIS encompasses several key strategic areas. The commonality between all of them is the *fear factor*. IxRIS, by being positioned at the forefront of a very focused niche market will be able to define the *RFID* market segment; and through its media campaign, generate the *need* for the services. While not quite the classical “*push-pull*” marketing model, IxRIS will communicate to its target base the potential scenarios of business related disasters that can be attenuated and kept under control through employing the various programs that IxRIS has to offer. Our experience has been that market “*need*” can be easily developed by properly educating the target customer on the risk factors, and subsequently, the panacea that is offered by IxRIS. While we feel that the market viability is extremely strong, a good creative campaign developed around the “*what ifs*” will expand the market niche far beyond what is realized at present.
- **Collateral Materials.** IxRIS collateral pieces will be designed as modular elements. The shell of the piece will reflect the energy, philosophy and essential data of the company, but there will be industry specific modules that can be inserted in to specifically talk to the sales effort. At the start, insert modules will be designed to address the following: Federal and Public Sector customers, Alliance relationships and benefits, Product Specific modules on RIS solutions. As IxRIS matures, additional modules will be developed around successful client relationships. For the benefit of the sales effort, this modular approach allows this piece to be custom tailored to enhance the sales selling cycle.

Marketing Strategy.

IxRIS will increase its market share even further and implicitly become a lethal opponent by saturating, capturing and retaining clientèle from any and all possible competitors. Primarily, this will be accomplished through the acquisition of our perceived competitors top personnel, both sales and technical. Our knowledge, experience and sheer tenacity in the *RFID* arena provides IxRIS with a unique advantage over any known competition, and will provide a barrier to entry for them to becoming formidable players. It is our strategy to enter in early, and dominate this emerging market, providing clients with tangible solutions that address the very real fears of natural and man made catastrophic events. The giant behemoths of IBM, EDS and CSC are dinosaurs, too slow in their corporate posture to be able to react fast enough to capture this market. In addition, these competitors also suffer from a perceived market position from their years of experience of being “known” for their expertise in *other* areas. Today’s customer is looking for the company that works smarter, faster and stays one step ahead of the latest market trend. That having being said, our strategy will be executed using the following vehicles, as listed below:

Press Releases. We believe that the press release, properly disseminated to the right media outlets will generate more education and awareness not only for IxRIS but also for the marketing segment that we seek to establish. Our experience has been that press releases allow us to control the message within “news context,” and not coming across to the reader as blatant advertising. Media outlets however are reluctant to publish such information as they feel it compromises the integrity of their publications and/or media outlets. Our media strategy focuses on leveraging the display advertising contract only when guaranteed with corresponding features articles where either IxRIS is the focus (we write it) or the general article discussion is germane to one of IxRIS product/service offerings and IxRIS is featured by brand identity. To effectively achieve our reach/frequency goals; the media outlets that we would consider for participation would need to assure us some type of visibility in each issue. But this will not be limited strictly to the printed page. IxRIS must also have visibility on electronic media, especially those driven by technology issues, and also those driven by financial issues. It is important to assure IxRIS dominance in the market by having essential “sound bites” where electronic journalism is focusing themes of disaster planning and efficient business practices.

Media Flights. All media flights will be designed by the quarter and the thrust of the creative campaign will fall in line with most corporate budgeting cycles. Although we realize that many customers will sign up for IxRIS based on their perceived need for “preventive maintenance,” the media flights are designed to embark into new areas not currently being pursued by the IxRIS sales organization. This potential with a proper media mix that will generate a cross impression of interacting with IxRIS advertising vehicles (press releases, traditional media exposure) up to a predictable level of 3.5 Gross Impressions per month. This level is absolutely critical to build brand awareness and favorable disposition in the target customer base.

Soft Website.

With most corporate entities, it is now fairly standard to have a website dedicated to the corporate culture, as well as to the products and services. While IxRIS has its own corporate website, we are proposing a *second* site dedicated specifically designed to handle RFID issues. The name of the site will be a direct inquiry into the RFID mindset, yet entice the seeker to want to pursue more of the subject matter, than specifically looking to engage IxRIS. This subtle approach allows us to talk to the concerns and fears of the potential customer internally, suspecting that they are not on a “sales site, “ but in reality they receive information from IxRIS. This “*Comfort Factor*” is proving lethal as a baseline-marketing tool to further convince the potential customer of the need for IxRIS products and services without having it to be a blatant sales module.

SALES Plan

Target Market: RIFD – All lucrative segments.

Objective

Drive sales via lobbying, effective marketing and media blitz, including web-site sales and marketing.

Conclusion:

Once in a while, good people come together to make a great solution. Bringing together the talents of seasoned professionals with outstanding performance histories to fill an emerging market need. A market need born perhaps out of a Fear Factor predicated upon the events that have shaped the world in the past several years. But to the savvy entrepreneur it presents itself an unprecedented opportunity to create...to develop...and to own a new market niche that will soon become the buzzword for the latter half of this decade. We know of no other entity poised to actively market and solidify a client base predicated on our ability and expertise in this area.

IxRIS is an innovative business concept that meets the immediate needs of the emerging RFID Market. With the correct investment, IxRIS will become the trade name for this new market, establishing a loyal customer base.

To recap, the salient points of IxRIS is that it is---

- defining a market,
- creating a need for it
- defining it's terminology (which we will copyright and own)
- marketing against the niche that we have created
- providing customers within that marketing area a real solution for a very real problem.
- locking them in to technology streams (which we will own and co-market)
- engaging them in long term contractual relationships
- The window of opportunity is open, and IxRIS is ready to seize the market ...now.

Thank you for your time and interest in IxRIS.

Sincerely

John R. Jensen