

MANAGEMENT DISCUSSION SECTION

Operator: Good day everyone, and welcome to the ParkerVision's Special Conference Call and webcast. Today's call is being recorded. At this time, for opening remarks and introductions, I would like to turn the call over to Mr. Paul Henning. Please go ahead, sir.

Paul G. Henning, Cameron Associates – Vice President

Thank you very much. But, before we get started, I wanted to remind listeners that this conference call will have certain forward-looking statements, which involve known and unknown risks and uncertainties of our business and our businesses, and the economy and other factors that may cause actual results to differ materially from our expected achievements and anticipated results. Included in these risk factors are, the ability to maintain technology advantages in the marketplace, achieve timely market introduction and acceptance of our products, maintain product copy protection, and the availability of capital among others. Given these uncertainties and other factors about our business, listeners are cautioned not to place undue reliance on any forward-looking statements contained within this conference call. Additional information concerning these and other risks can be found in our filings with the Securities and Exchange Commission.

We'll begin today's call with Jeff Parker, CEO of ParkerVision, who will add some additional comments to the release that was put out this morning. Jeff, would you like to go ahead?

Jeffrey L. Parker, Chairman and Chief Executive Officer

Yes, I would. Thank you, Paul, and good morning to those of you who've joined us on this call. When last we spoke, I told you that I expected to have to conduct an unplanned conference call before our next scheduled call. I certainly want you to know that the topic of our call today is certainly isn't what I was referring to. And it wasn't something that I expected or that our dedicated employees or shareholders deserve.

Many of you called me, when you saw an article issued by Barron's this past weekend. You as am I were outraged that a reporter would write such an overtly, inaccurate, poorly researched, one-sided story. You were incensed that a publication would be so haphazard as they publish as fact, information from two individuals who have acknowledged as having a short position in the company, while publishing for years an anonymously written website. It is purposely created, inaccurate information about our technology, and our relationships with prospective customers. The Barron's reporter, never so much has questions how an assessment of a technology can be conducted without even having seen the technology. Without having visited the company, or even engaged the company in dialogue, about how the technology works. The Barron's reporter never asks how the authors of the PV notes website, obtained information regarding the validity of the technology from named companies. When ParkerVision has made it clear that in-depth technology reviews of its technology has till date only been conducted under non-disclosure agreements with OEMs.

Barron's received guidance from me in the form of a written letter, which we filed as an 8-K Exhibit today, and which I would encourage you to read for yourself. As you can see in the article, the reporter doesn't even have the decency to use one of my quotes without lifting several words from my quote and then changing the meaning by adding his own words to the end of the quote. I'm referring to the topic, where I'm guiding him that our D2P technology embodies what is currently done today by the use of a separate RF transmitter and separate

RF power amplifier, that our technology should not be confused or compared with a traditional RFPA. He chose to change the meaning of my quote to say, that our technology should not be confused with traditional radio devices implying that we don't want to compare our benefits to what it replaces which of course is ridiculous, that's not correct. We work with OEMs to compare our technology to that which it replaces, which is the entire transmit chain Mr. writer, not just the RF power amp.

I made it clear to the Barron's reporter who asked in his e-mail questions to me, if our CTO, Mr. Sorrells and myself have ever been clients of the Swiss Life-owned Banca del Gottardo. I informed him, that neither of us have ever been clients of the bank, ever. However, he chose to cite an unnamed source, which I challenged him to reveal that says otherwise. This is nothing than his 100% pure fabrication. The essence of this article is that it is written based on the set of information that is not truthful, from a couple of people who stand to gain a great deal financially should we not succeed in our business plan. And who conversely stand to lose a great deal financially, as we do succeed.

Why Barron's believes that credible OEMs would violate non-disclosure agreements to inform authors of an anonymous website about the validity of our technology is beyond my comprehension. Why Barron's would give greater credence to Farmwald's claims regarding the company's contract with ITT than to the statements from both myself and an ITT spokesperson, that the companies are engaged in an ongoing relationship is also beyond me.

The folks behind PV Notes are desperately trying to do whatever they can to slow down or prevent ParkerVision from successfully commercializing our technology. While I don't believe their efforts will succeed, and in fact in some perverse way may actually help us, as some OEMs who will not take kindly to the stock manipulation of a company, that is diligently working with them to bring better products to market. You should also know that we are pursuing and investigating all legal avenues and alternatives given the content of and the circumstances surrounding this article.

Some of you know that we have a lot of very hard working, very smart people with ParkerVision, both internal to the company as well as on our Board of Directors. And, at this time, I'd also like to ask one of our board members and our intellectual property legal counselor, Robert Sterne to say a few words to you today as well.

Rob, I know you're traveling around, are you there with us now?

Robert G. Sterne, Independent Director

Yes, Jeff, can you hear me?

Jeffrey L. Parker, Chairman and Chief Executive Officer

We can hear you, fine.

Robert G. Sterne, Independent Director

Okay, well thank you, and pardon any background noise that may exist from where I am. But good morning, and thank you. My name is Rob Sterne, and I am a founding partner of Sterne, Kessler, Goldstein & Fox PLLC, one of the largest specialty patent law firms based in Washington D.C. which boasts an international clientele of high-tech innovators.

You can obtain more information at our website www.skgf.com. We represent some of the most innovative and technologically someway I think innovators on the planet. I have had a life-long personal interest in radio technology. My interest in radio took me to engineering school at Tufts

University in Boston where I earned my B.S.E.E. and M.S. Jeff Parker contacted me in April 1998 about possible patent representation of what he believed to be fundamental breakthroughs in RF wireless technology. He found me through referrals as being one of the top RF patent attorneys in the nation.

To be frank, I was dubious such RF breakthroughs could come from a design team in an off the technological beaten track of Jacksonville, Florida. I guess I was showing my technical snobbery that such fundamental RF breakthroughs should and always come out of high-tech centers I frequent such as Silicon Valley, San Diego, Denver, Seattle, and Washington D.C.

If you could hold on for a second; I'm having a little bit of technical difficulty here.

So, anyway, after I was provided with this opportunity to represent ParkerVision, I was immediately impressed by the breakthroughs that ParkerVision had achieved, and I was shown the demonstration by Jeff Parker and David Sorrells their RF visionary. At that time I decided, because I was frankly intellectually blown away by their fundamental breakthroughs, to take the assignment to represent ParkerVision in creating an outstanding patent portfolio for their fundamental breakthroughs. I assembled a top-flight team of patent attorneys for my firm with the requisite technical background, and we created and obtained an outstanding patent portfolio covering the ParkerVision breakthroughs.

We have endeavored from the very beginning of the project to achieve the highest quality of legal protections that we can obtain from the various patent offices around the world. I can tell you as a person who is extensively involved in RF technology, that the ParkerVision breakthroughs are fundamental and extremely real. And have been tested and verified and quantified at all levels. So, any questions that have been raised by this article concerning the technological effectiveness and efficiency of these breakthroughs are in my professional opinion completely incorrect, and I cannot understand why these statements have been made by individuals who do not have the access to the technology that I have. Thank you Jeff.

Jeffrey L. Parker, Chairman and Chief Executive Officer

Thank you, Rob. I appreciate your taking the time to join us today on the call. I know you're juggling a lot of activities right now, and this is on short notice.

I'd also like to ask our listeners to listen to a few words today from our CTO, David Sorrells. David normally doesn't join us on these calls as he is focused on of course a technology-centric mission. But, I thought, in light of the ridiculous statements in the article on the PV notes website that we should have David to say a few words.

David F. Sorrells, Chief Technical Officer

Thank you, Jeff. I have more than a few words to say, but I will try to keep it brief. Developing new technologies is one of the most rewarding career activities an engineer can experience. Engineering by definition is using scientific principles to achieve a practical result. By my definition, a successful practical result must meet four criteria.

The first of which is, the technology must have significant advantages over the current state-of-the-art. In today's world, this is a monumental task, because governments all over the globe, large companies and universities spend billions of dollars over multiple decades to bring new technologies to market. By comparison, companies such as ParkerVision have a fraction of the budget, time, and resources available to other entities.

Number two, a multitude of working prototypes must be built and tested to ensure the technology meets both today's and future product criteria. Having working hardware ensures that all calculations, simulations, design criteria, and production criteria can be verified not only

by ParkerVision, but any engineering team with sufficient expertise.

The third criteria is, the technology must be patentable internationally. A patent by definition is an agreement between an inventor and a country. To receive a patent, an invention must be shown to be novel, non-obvious, and have utility. In ParkerVision's case, we internally require that our technology inventions be significantly novel over the prior art to ensure the best international protection possible.

Looking to the non-obvious requirements, ParkerVision's patents and patent families sight hundreds of prior art references that offer conflicting ideas, theories, opinions, and results. In order to receive a patent, the technology and its advantages must be shown to overcome each and every one of these prior art references in a new and novel way.

Finally, and perhaps the most important concept, is that of utility. The technology must be shown to work and function as described. At the time of the first D2P examination, ParkerVision was able to provide measured results of working hardware that match both the theory of operation and technology simulation. To date, ParkerVision has over 40 patents in process for the D2P technology alone. In addition, these patents adhere to the criteria required by the World Intellectual Property Organization located in Geneva, Switzerland. The WIPO is the administrator of the patent cooperative treaty, which is adhered to by over 100 countries worldwide.

The fourth and final criteria is, the technology must be able to be commercialized in multiple ways. There are many commercialization methods that can be applied to the d2p technology including, but not limited to, licensing all the part of the technology to customers and/or providing integrated circuit solutions either directly from ParkerVision or design partners and foundries. From a CTO's perspective, I believe ParkerVision's engineering team's innovation, tenacity and persistence should be a new model for technology development. This team has successfully moved from developing a concept to having working demonstrable hardware, using an entirely new technology that will be employed in one of the highest volume in most demanding applications created in history.

I have no question that the size of this opportunity puts the advanced state of the technology development in the potential magnitude of the profits that can be generated, has motivated our detractors to issue false, misleading, and damaging statements concerning ParkerVision's technology.

Jeffrey L. Parker, Chairman and Chief Executive Officer

Well, David thanks for your words. And, operator, I guess what we would like to do is open our call up for a few questions. So, let's do that now if you would.

QUESTION AND ANSWER SECTION

Operator: Thank you, Mr. Parker. The question-and-answer session will be conducted electronically. And our first question comes from Greg Lewin with Levin Capital.

<Q>: Morning, Jeff.

<A – Jeffrey Parker>: Good morning, Greg.

<Q>: What I'd like to do is try to look at where we are today. One of the slight-of-hands that the article tries to pursue is to take claims made from the period of 1997 through 2001, and somehow through their form of subterfuge, gives you the impression that they're discussing

current events. And, so what I'd prefer to do is discuss current event. And, what I would like to do is start with a discussion of – in two parts, if I may ask them. In the past 18 months, could you estimate how many different OEM's, carriers, and technical vendors have evaluated your product or have – had called you to present, to come up with discussions of the technical merits, and then transport that into the current timeframe. And, could you discuss how many potential customers are currently evaluating the technology, in some way, shape, or form? And, what I would then like you to do, if you could, is please describe to what ends these customers have done, what level of testing have you provided them, have they done independently, what has been involved, and could you then summarize in some way or fashion the whole spectrum of results, strengths, and weaknesses that have been independently achieved through the testing and work, more – less of ParkerVision but more of these independent customers who are now evaluating your technology?

<A – Jeffrey Parker>: Okay, Greg, I'm going to try to get through that. That's quite the question. How many have looked at and evaluated the technology? I don't have the exact number at my fingertips.

<Q>: Use your estimates.

<A – Jeffrey Parker>: To the best of my recollection, it's more than 10 and less than 20, okay. There are still I would say approximately that number engaged in dialogue with us. When they look at the technology, Greg, they run it through a whole suite of tests typically using Agilent test gear, not the only test gear in the industry that's used. There is a small – couple of other smaller competitors. But, they're the lion share of the market. And, what they look at on our Transmitter Technology are things like, how pure is the spectral quality of the transmitter waveform. Does it meet the specifications of the particular standard? In our case, we show lots of different cell phone standards. So, there's lots of different specifications that they go up and look at. We show the technology to be compliant. We show that there is no showstoppers in the way they want to implement the technology in continuing to be compliant. We go into an in-depth disclosure with these OEM's as to exactly every transistor that's used to create the function blocks of the technology. How the function blocks go together? Why they're stable over their simulations? Why they're stable in the actual silicon? How it can be partitioned differently if they don't like the way we partitioned it. I mean, Greg, there just isn't pretty much any stone that's unturned. There are several OEMs now that have gone to the point of actually studying over high volumes, how does the technology stack-up in terms of its yield on various semiconductor processes, and there's a lot of tools in the industry today to help you both verify that, both electronically and using actual physical hardware. So, there is extensive – we have 100s, probably 1000s of pages of test report that both ourselves and our OEM potential customers have created in making these measurements.

<Q>: So, in plain sort of English, have you and they tested your product in a foreman fashion that could then move directly into a finished product. And, could you then give us the spectrum of strength and weaknesses and results that have been achieved?

<A – Jeffrey Parker>: We have tested the product in a form that you couldn't take that and drop it right into a handset. But you could – or in the other customer's case, into some of their products. But, you can take the chips we've developed and anybody who's experienced in the industry can see a clear roadmap. This is why I told people, it's not something that when we sign a deal, they'll be putting into a product next week. I've projected 12 months, 18 months from the time we get signing, depending upon how comprehensive number of standards they wanted to operate in. But that's the process of taking what we've got today, converting it to their

high volume usage. And, this is something they do, Greg, with many chips that come their way, whether they develop them internally or they outsource them from other companies, or they license them and develop them with other companies. Now that's the pretty standard, common approach. I can tell you, there is not one of them that I'm aware of that doesn't believe that this technology won't work exactly the way that we've stated it will work. Now, I'm not sure if I've completely answered your question. I want to get on to the next question, but did I answer that yet?

<Q>: Sort of – just two words. I don't want to monopolize anything...

<A – Jeffrey Parker>: Yeah. Yeah.

<Q>: Please give us a summary of – if it were two to three taglines on exactly what the technology will provide for the customers?

<A – Jeffrey Parker>: Well, okay. Sure. It's highly efficient especially for the 3G and beyond standards. If you look at 2G today, GSM, it's already pretty efficient because it doesn't have the same kinds of complexity in the waveform that creates inefficiencies in traditional linear power amplifiers and their associated transmitters. So, GSM is a fairly efficient technology today. We are as efficient as what's out there in GSM and generally a little bit more efficient, but that's not where people are having the problems. We're significantly more efficient in 2.5G, which is EDGE, but even that is what's called a burst signal. It's only on one-eighth of the time. So, it doesn't drain the battery that quickly, and frankly people are finding it doesn't bring that much more bandwidth of data to the party. So, EDGE is pretty much going to be the transition standard. But where people have been struggling is in the 3G, CDMA, and Wideband CDMA, and especially moving beyond that, things like HSUPA, which is an extension of the 3G Wideband CDMA standard and into LTE and WiMAX, which is four-generation standards. Those are all very complicated waveforms. They have high peak to average ratio of modulation in their envelopes of what's transmitted and the challenge with that is those power amplifiers and their supporting transmitters are very inefficient. We bring 100s of percent of improvement in efficiency to those kinds of waveforms, and if you look at the waveform over its – those waveforms are changed in their power control, when you're near versus farther from a base station.

If you look at our response of our efficiency curve, it's relatively flat compared to everything else that's out there today, which tends to drop off in efficiency exponentially as you move down in the power level. So, we have a much flatter curve, there is a much more exponentially lower, and if you added up all of the beneficial efficiency of those two curves, what you would see is we bring a significant amount of power reduction to any 3 or 4G application, which translates to significantly longer battery life. We've already said a one and a half to two hour talk time on a handset with a 900 milliamp power battery using Wideband CDMA with our technology is going to be more like four hours maybe steady four and a half.

In terms of the other benefits today a lot of the different standards are done through redundant chains of components. We can collapse those down to as few as one, depending upon how you want to switch the output of our technology around, or you can collapse it down to maybe a fraction if today – to do a full hedge phone, HSUPA, Wideband CDMA, EDGE and GSM on both low and high bands might be six, seven, eight redundant chains. The very least you could easily reduce that down to two chains, a low band and a high band, which could eliminate four, five, six redundant chains of power amplifiers in those associating supporting transmitter circuit. And that translates to smaller size and it also translates to lower cost. It's the same thing we've said from the beginning. It hasn't changed, and if anything, our confidence and our ability to deliver

on those commitments has not only increased, but to the extent that we can deliver on those has also increased, in terms of actually smaller than we thought, uses fewer – less amount of silicon than we had originally thought. And, frankly, the efficiency curves have gone higher than we thought because we're also learning that with the smaller geometry semiconductors, our efficiency increases faster than we had thought it would. So, it's – if someone is looking for longer talk time, smaller size, lower cost, and to do all the standards in a single architecture, that's what we bring to the party.

<Q>: Thank you, sir.

<A – Jeffrey Parker>: I'd take the next question please.

Operator: And our next question comes from the Jim Whitten with Laidlaw.

<Q>: Good morning, Jeff.

<A – Jeffrey Parker>: Good morning, Jim.

<Q>: I really don't have too much of a question except that in most of these articles and most of the things where people sometimes complain about how long this thing has taken, 17 years, according to this paper. I think it is probably appropriate that we point out that when this company went public, you went public as a camera company, which did become viable, commercially, and from what I understand is viable now commercially, and that the technology from the camera led you to the embryonic state of the technology that ended up in the D2D and then eventually this. And, maybe there have been a few slips and slides in between, but it wasn't just the 17-year pursuing D2P, and I would like to ask your opinion on that.

<A – Jeffrey Parker>: I appreciate your mentioning that. Look, there is no question we started as a camera company, we innovated ultimately a very advanced, novel architecture for automating television newsrooms. We turned our attention during the development of our camera products to this wireless technology development when we were looking for enhanced wireless technology for our own internal products, and along the way came to a fork in the road and said do we want to just focus on camera products and associated studio control systems or do we want to make this technology into something that's more of a broader play in wireless communications. Certainly, with the opportunity to participate in a market opportunity, orders and orders of magnitude larger than our studio products business could have ever become. So, did we innovate breakthrough technology in studio automation? Yes. Did we get it into newsrooms of creditable companies, McGraw-Hill, ABC Studios, The Canadian Broadcasting Network, Channel 12, Cablevision, I think all their stations. I don't remember all the customers, but there were quite a laundry list of them. But, we knew that it was a limited business and it wasn't a business that we wanted to build our entire company around once we saw what we could do with the wireless technology. In terms of the time it has taken our technology in the wireless front. Again, by the way Thomson bought that business, and to the best of my knowledge continues to sell those products today and it is in fact one of their flagship products. But I'm not focused on their business. I am focused on our business today. Our technology started in the wireless business really in earnest when we've got Rob Sterne involved back in '98. We knew he had some fundamental breakthroughs and I had been working on bringing advanced technologies to the marketplace long enough in my career to recognize when we needed to reach out to the heaviest heavyweight we could find who could help us protect this technology, because I believed then and even believe more strongly now, that the technology will ultimately be a very important technology to the industry, and that there'll be a lot of people who won't want to pay us for it, and who'll try to use it without – if they could if we didn't

protect it intellectually correctly. So, I wanted to make sure we have the best intellectual property protection possible.

Taking the last 8, 9 years to get it to this point, is that a long time or a little time; well honestly, out of my career, it's been a long time. Okay, I mean I've said publicly, I personally didn't know that it would take this long to innovate this technology, but we've tackled breakthroughs, that when you look at the industry at large, they have tried to solve for literally decades. We cite in our patents decades and decades of prior art of people trying to do what our relatively small team with relatively small research dollars compared to the industry that we've been compared to, and what they've been able to do is to unlock the puzzle to solve this problem both from the receiver and the transmitter side in a way that frankly many, many, many others who've come before us have fallen short.

And so I don't think we have anything to be anything other than greatly excited about, the opportunity in front of us is larger than when we started. So when we first started we were thinking there might be 1 or 200 million cell phones sold a year in the marketplace. It's now up to a billion and 2, I believe, 200 million, growing to a billion 500 million – who would have thought. Wireless is going everywhere, it's becoming kind of the link that may even someday challenge some of the wireline stuff that we've been so dependent upon in a lot of different applications, and our technology fits literally any wireless signal that you want to create and transmit or you want to capture and demodulate.

So, the opportunity is there for us and we are not going to let some thugs with a website disparage us any further, and I don't believe our OEMs will be affected by this one iota. They have seen the technology, they've tested the technology, some of them are working with the technology, and the technology will be judged on the merits of the technology, period; not what Mr. Farmwald makes up in his own head with his wife. Jim, does that answer your question?

<Q>: Yes very good. One other little thing too, could you add the background of one or two the distinguished Directors that we have on the Board?

<A – Jeffrey Parker>: Well, we have more than one or two distinguished Directors...

<Q>: Just one or two of them because it would seem to me that they wouldn't jeopardize their career on something that was a boondoggle, okay?

<A – Jeffrey Parker>: Well, okay. So, we start with Bill Sammons, who has been a Director since the company started. Bill is now in his 80s. We should all have – be blessed with his health. The man is incredibly energetic and sharp as a tack in terms of his mind. Bill was one of the partners that we had in our – in the previous business that was a privately held company my family and I started that innovated heating, air conditioning, microelectronic controls. We had a partnership with Carrier Corporation, and we did quite a significant amount of business and profits in that company, and Bill watched us in action in that business, and was happy to participate in this one as a Board Member. Bill's an MIT graduate. Bill is the consummate engineer's engineer. He is also a great businessman. He continuously tells me that he wants to be with us long enough to see the technology launched, and believes that we are getting very close now. And he has been a terrific partner and supporter.

And you've got Papken der Torossian, who was the gentleman who was the Chief Executive of the Silicon Valley Group that innovated some of the world's best lithography for making semiconductors. I believe he began running that company when it was 30 million in revenue and

he took up to over \$1 billion and it was sold now few years ago to a Dutch company. You've got Nam Suh, who is a Ph.D. with many distinguished awards, everything from Ronald Reagan's Assistant Director of the National Science Foundation. He is now a distinguished professor and Dean of Engineering at MIT. He is now a CEO of KAIST which is kind of the – I hope they'll find that to be a compliment, but I analogize it to the MIT of Korea. And Nam is extremely well known around the world and certainly would not be involved in a company that doesn't have what it says it has.

You've got Rob Sterne, who has already spoken for himself.

You've got Bill Hightower. Bill Hightower was the President of the Silicon Valley Group, was also one of the Presidents at AT&T, really knows telecom, really knows growing businesses, and has done a turnaround or two in his career and again a guy who is an engineer and really understands technology from the fundamentals, again wouldn't be somebody who would be involved – none of the people I just mentioned will be involved with our company if they didn't know the technology works and believe that we are on the right track. I mean they all have a lot of personal financial net worth and they all have a lot of great reputations that they've built over many decades of their career. There is no reason they'd jeopardize that for ParkerVision. So, Jim, I hope that's helpful to you.

<Q>: Great. Thank you.

<A – Jeffrey Parker>: Oh! And just, so I don't leave him out, John Metcalf also, who is our CFO expert who came on our Board a few years ago. By the way is – was started his career at AMD within the financial organization there, and has been a CFO at various semiconductor companies. Also understands this space, is more on the financial side of the business, but certainly is a great testimonial to Cindy Poehlman and her staff's ability to be compliant with all of the Sarbanes-Oxley influenced regulations, and continuously works closely with Cindy and our audit committee, to make sure that we are doing everything in our power to be 100% true to the law of what Sarbanes-Oxley and the general regulations call for.

Operator, your next question?

Operator: Our next question comes from Philip Anderson with the Pinnacle Fund.

<Q>: Hi, Jeff. Reading in the article, the short sellers alleged that ITT has pulled its engineers off of the project you had announced earlier this year. I know that you're under NDA with ITT, but I think we would all be eager to hear from you, to the extent that you can tell us how the project with ITT is progressing?

<A – Jeffrey Parker>: Well, it's progressing exactly as per the contract. I mean, you know I'm not going to violate any confidentiality. It was nice that ITT at least returned the guy's call and did acknowledge, yes, we have a relationship with ParkerVision that's ongoing. ITT is a very excellent company, conservative company. Isn't going to tell the public or their competition what they're up to and why they're doing what they're doing? When they have something to say publicly, they'll say it.

I'm not going to violate any confidence, other than to say our relationship with ITT is very good. The project is going along as planned, as per the contract. So, these guys can make up whatever nonsense they want to make up. Phil, one of the challenges I have to fall not in the trap of, is you know there's an endless number of lies that can be built around anything, that you could fall into the trap of having to respond to absolutely every lie. There are only a certain limited

number of truths. These guys who make up these lies aren't under the same public scrutiny or rules and regulations that we operate and adhere to the letter. So, they're slinging mud out there, and we have to be careful not to get into the trap of responding to every single thing that they try to sling our way, because it's going to make customers uncomfortable that we're not going to adhere to agreements that we have of confidentiality, et cetera. And, we're going to adhere to that. The ITT agreement is going along as planned, the relationship is good, and that we believe they will be able to get their products out as we communicated to the investment community before as scheduled.

<Q>: Well just – let me ask my same question in a different way. But I'd appreciate you answer very much, and I suspect the people who made these statements are going to have a bit more scrutiny than they have had prior to this weekend. But, to be clear on the ITT contract, the extent that you and your company and your engineers and your technology are contributing to the development of whatever product or products ITT intends to sell, that your contributions are moving forward in a timeline and in a manner that the contract laid out.

<A – Jeffrey Parker>: I am sorry, Phil. So, you are saying that – is that correct?

<Q>: Yes.

<A – Jeffrey Parker>: Yes, that is correct.

<Q>: That's all I had. Thanks very much, Jeff.

<A – Jeffrey Parker>: Thank you, Philip. Operator, the next question please?

Operator: Our next question comes from John Stanley with Stanley Partners.

<Q>: Yeah, actually I don't have a question, Jeff. I just wanted to commend the company for its appropriate response to the outrageous, factually incorrect allegations made by people that seem to live by different standards than most of us. Thank you...

<A – Jeffrey Parker>: John, I appreciate that. You know what's going to speak the loudest is when we bring the next deal in the boat, and the scope of that deal. And I believe that will probably stimulate additional business closure thereafter. And, what we're going to be measured by is did the technology get adopted, did it get adopted in a timely fashion. Obviously, this article was put out in a hurry. I don't know why they were in such a hurry. The facts of the matter is the PV Notes website has been up there for years. I said to the reporter, I'm busy with business development stuff right now. Be happy to talk to you later, can't do an interview right now. But no, no, he had to put the story out bang-bang right now. I'm assuming there was some motivation behind that.

Perhaps Mr. Farmwald and Paldus feel that they're coming to their last chance to try to manipulate our stock price based on the fact that they believe that we're very close to getting our next deal closed. So, I can't imagine what the motivation was outside of that, because these guys have been out there disparaging us for years. But boy this had to have an immediate answer. And it's just – it's about as slimy as it comes. But, John, I appreciate your support and your comment.

<Q>: Good luck.

<A – Jeffrey Parker>: Thank you.

<Q>: Thank you.

Operator: And we have time for one more question which will come from Mr. Wilson Jaeggli with Southwell Partners.

<Q – Wilson Jaeggli>: Okay. Jeff, thanks for putting on this call. Phil Anderson also actually dug into the question I had, which was with ITT, which is our largest and I guess most active, paying customer right now. So, I think you handled that question properly. The point being is there has been from the initiation of this relationship, there has been no pushback from ITT. Is that fair to say?

<A – Jeffrey Parker>: That is fair to say. ITT has certain product goals and needs. We have a certain technology that can solve those product needs and goals. And, we're working with ITT in a way that will enable them to take advantage of the technology, get into the market as quickly as possible, and take advantage of that in their products. That's what the relationship is all about, and that's what the contract was written too.

<Q – Wilson Jaeggli>: Okay. You had mentioned on the last conference call, and you mentioned in starting this one that you hoped we would have another conference call of another subject?

<A – Jeffrey Parker>: That's right. And, I said that I believe we'd have another conference call before the next scheduled call, which would be our year-end and fourth quarter call and I still believe that. And, while I can't say that I have been able to reach out and talk to some of the OEMs about this nonsense from Barron's this weekend. I'll be doing that when we hang up from this call. And, I believe, people will still measure us on the merit of the technology. And, as I said, maybe in some perverse way they may actually feel empathy with us and say, you know what, let's help you get these jerks put in their place and we'll – let's get these deals closed like now.

<Q – Wilson Jaeggli>: Hey, Jeff, thank you much. Keep up the good work.

<A – Jeffrey Parker>: Thanks for your support, Wilson.

Jeffrey L. Parker, Chairman and Chief Executive Officer

Well guys, listen, there may be more callers, I don't know. But actually I do want to get off this call now and start talking to my customers. So, I appreciate your support. I appreciate those of you who'll continue to hang in there and who aren't going to be manipulated by, as I said, these thugs with a website. And, as I said in my response to the Barron's article by the way, I have an open invitation to Mr. Cripps, who is well known in the industry; under the same terms we do with OEMs.

Come on down to Florida, love to meet you, be happy to have a face-to-face meeting, happy to show you the technology, happy to talk to you about it. From what I've seen, you've written some marvelous publications, and I think you'd be very, very excited to see what our team has been able to develop.

Folks, have a nice day. Thanks, Bye.

Operator: That concludes today's conference. Thank you very much for your participation.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of Cassandra, LLC. Cassandra, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

The information provided to you hereunder is provided “as is,” and to the maximum extent permitted by applicable law, Cassandra, LLC and its licensors, business associates and suppliers disclaim all warranties with respect to the same, express, implied and statutory, including without limitation any implied warranties of merchantability, fitness for a particular purpose, accuracy, completeness, and noninfringement. To the maximum extent permitted by applicable law, neither Cassandra, LLC nor its officers, members, directors, partners, affiliates, business associates, licensors or suppliers will be liable for any indirect, incidental, special, consequential or punitive damages, including without limitation damages for lost profits or revenues, goodwill, work stoppage, security breaches, viruses, computer failure or malfunction, use, data or other intangible losses or commercial damages, even if any of such parties is advised of the possibility of such losses, arising under or in connection with the information provided herein or any other subject matter hereof.

The contents and appearance of this report are Copyrighted Cassandra, LLC 2007. All trademarks mentioned are trademarks of their respective companies. All rights reserved.