



NEWSLETTER

Publisher Thomas Teague

Volume 1

August 18, 2004

COPS Grant for the City of Fort Wayne

On August 6th, the city of Fort Wayne submitted a \$4,000,000 grant request to the U.S. Department of Justice for "communications interoperability" in our region. The SentryPoints' staff helped draft the proposal and worked closely with all the area emergency departments to complete the project. The grant is supposed to be awarded in September, with funding to follow soon after the new federal fiscal year in October. If the city receives the grant, then there will be an RFP and bidding process, which SP hopes to win. If successful, it would provide the money for the accelerated adoption of our showcase installation. The company did a demonstration of capabilities for area public safety officials prior to the grant submission.



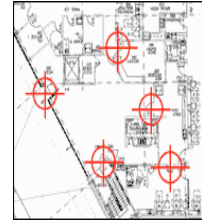
Don Willis Acting CEO of SentryPoints

While our search for a permanent President/CEO for SentryPoints is going well, our leading candidates may not be available for a few months. In a gesture designed to underline his personal commitment to the future of the company, Don Willis has agreed, effective immediately, to take charge of operations through November 15, 2004. This move allows Don to focus his energy on SentryPoints during this crucial three month period, and frees Tom Teague and Paul Helmke to concentrate on our early marketing efforts.

U.S. Conference of Mayors

We continue to benefit from our preferred relationship with the USCM. The hard copy version of this newsletter will have recent articles from the paper describing Paul's activities. Through this alliance, we are preparing an action plan to market directly to our target cities. Baltimore, where Mayor O'Malley has ties to Fort Wayne, is currently our highest priority.

Threat and Vulnerability Assessment (TVA) for Gary, Indiana



With our partner, Critical Incident Solutions, the company is winding up its contract with the city of Gary. We have also completed our TVA work for the state of Ohio and will be sharing the results soon with the surrounding states also participating in the study.

Status of Investment Activity

We are rapidly closing in on our \$2,000,000 goal. In fact, we may have to extend it to \$2,200,000 to accommodate every one who has expressed interest in a unit. When the investment is fully subscribed, we will call a meeting of all investors to discuss three primary issues:

- Development of anti-dilution language in an amended and restated subscription agreement
- Definition of Intellectual Property resident in the company
- Distribution of financial reports on a regular basis

Contracts with 4D Development

The company expects to contract with 4D Development in the near future to build a marketing demo and the TVA software.

