

Operator: Good day, and welcome to the Intelli-Check Mobilisa's 2009 First Quarter Conference Call.

At this time, all participants are in a listen-only mode.

If anyone should require operator assistance during the conference, please press star-zero on your telephone keypad.

As a reminder, this conference is being recorded.

At this time, I would like to turn the conference over to Mr. James Carbonara of the Investor Relations Group, which is the IR and PR firm for Intelli-Check Mobilisa. Please go ahead.

Mr. James Carbonara: Good day, and welcome, everyone. Thank you for joining us today for our 2009 first quarter conference call to discuss Intelli-Check Mobilisa's results for the first quarter ending March 31, 2009, and to discuss other business developments.

In a moment, I will call upon our CEO, Dr. Nelson Ludlow, to lead today's call and introduce the other members of the Intelli-Check Mobilisa management team who will be participating in today's conference call.

Before I do that, I will take a few minutes to read the forward-looking statement.

Certain statements in this conference call constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended. When used in this conference call, words such as "will," "believe," "expect," "anticipate," "encouraged," and similar expressions as they relate to the Company or its management, as well as assumptions made by and information currently available to the Company's

management, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on management's current expectations and beliefs about future events. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of such changes, new information, subsequent events or otherwise.

Additional information concerning forward-looking statements is contained under the heading of "Risk Factors" listed from time-to-time in the Company's filings with the Securities and Exchange Commission.

I would now like to introduce Dr. Nelson Ludlow, Intelli-Check Mobilisa's Chief Executive Officer, to preside over today's call.

Dr. Nelson Ludlow: Thanks, Jim.

Good afternoon, and good morning to our west coast investors.

On the call with me today is Steve Williams, our Chief Operating Officer; Pete Mundy, our Chief Financial Officer, and John Lange, our General Counsel.

On today's call, we'll discuss what our first quarter revenue, which is approximately \$2.1 million, which is an 84 percent increase as compared to the first quarter of last year.

We had a relatively slow January and February. It was followed by a good March and what appears to be a good start for quarter two.

Some major accomplishments during this quarter are setting us up for the future, and they include the certifications that we've recently received, new pilot programs for our TWIC Reader, a longstanding patent litigation that we recently settled, and an increase in business development opportunities.

Now, my strategy for 2009 is to increase our top-line revenues and to take the steps necessary to make that happen. So, in order to do this, we've added some new cash expenses to the Company that include hiring additional new salespeople, skilled engineers. We've built some new products, and we've started several pilot projects.

While early on these initiatives may have a somewhat negative effect on our cash flows, we see them as investments and that will pay off with increased revenues in the future.

Now, some of the highlights for Q1 were mentioned on our year-end call since the reporting occurs just a few days left in the first quarter, but I'd like to retouch upon those. And particularly, I noticed that we have a lot of new investors on the call, and so I may recap some of these things.

In the first quarter, we received an Army-wide ATO, which stands for Authority to Operate, which is an approved accreditation or certification for our Defense ID product for use Army-wide.

We've hired two key people into our sales team, Ms. Debbie Bainbridge and Mr. Ryan Anderson. And then, in just the last few weeks, we've also added another key salesperson, C.J. White, who comes to us from GE Money.

Now, these additional members to the sales team effectively doubled our Commercial Products sales force. We want our products in more retail stores, and the

expansion of the sales team has created additional sales props that we plan to execute upon.

In Q1, we also hired the Investor Relations Group to be our IR and PR firm, and we've already increased our awareness with the media from XM and Sirius radio, NPR radio about our wireless projects, to several print stories about Defense ID, our TWIC Reader, and the Commercial Instant Credit Card Approval System.

We also started a non-deal road show to showcase our company to you, the shareholders, and to new investors around the country, giving the first one just two weeks ago here in Washington State, and future events for the road show are being scheduled for California, Washington D.C., Manhattan, New York City, and the Long Island area.

Also, IRG just released a podcast interview, just today, which is on irgnews.com, that you can hear us talking about some of our other--some of our recent projects.

We're also pleased to announce a commercial sale for Defense ID system to Force Protection, who's on NASDAQ as F-R-P-T, to help protect their critical facilities for building military vehicles.

We also announced a partnership with the Georgia Technology Authority, or G-T-A, to provide an online tool offered by the state of Georgia that provides a simple and instant solution to stop anyone using a fraudulent driver's license or an identification card to access services.

Early in the quarter, we received a new patent from the US Patent Office that's a continuation of our patents related to the reading and verification of drivers' licenses and other identity cards. This patent covers the reading of the driver's license, sending that information to an external computer for further processing.

You can imagine the examples. One is to determine if that person is authorized to enter a facility, that's listed on a watch list, or to make any other match to a database. So, I'm excited about that.

We announced our first TWIC Reader pilot at a major port in Washington State. And the Transportation Worker Identification Credential program, or TWIC, T-W-I-C, is the Transportation Security Administration, US Coast Guard's initiative to provide a tamper-resistant biometric identification card to port facility workers.

Now, as of April 15th, 2009, just about three weeks ago, an estimated 1.5 million individuals, including all Coast Guard credentialed merchant mariners, are now required to possess a TWIC card.

Just yesterday, we announced our second TWIC Reader pilot at a very major port in California.

We also received a Navy-wide authority to operate just one month following our Army certification. Again, this allows all naval bases the ability to purchase our product. There are approximately 59 Army forts or posts in the continental United States, and approximately 57 naval bases.

I'm also pleased to say that we entered into a patent settlement agreement and a license agreement with TriCom Card Technologies. Now, do you--the ones that have been around with the Company for a long time, you may know this, and the lawsuit that we were involved in for six years.

And not only were we able to settle, but also set up a license fee for the future. This settlement recognizes that Intelli-Check Mobilisa has some of the earliest and strongest patents in regard to reading drivers' licenses and other forms of identification.

Resolving this litigation allows us to concentrate in developing new products and technology, as well as to seek other opportunities to recognize the value of our intellectual property portfolio.

And now, for our new listeners, our patent portfolio is very strong in reading driver's licenses. Intelli-Check Mobilisa, we currently have nine patents and with 10 others in the works.

So, let's talk about the financials.

Pete Mundy, our Chief Financial Officer, will provide more color on the color's-- the quarter's financials.

Pete?

Mr. Peter Mundy: Thank you, Nelson.

Good day to everyone.

I'd like to discuss some of the financial information that was contained in our Press Release for the quarter ending March 31st, 2009, which we put out this morning.

We anticipate that the complete quarterly report on Form 10Q will be filed with the SEC this afternoon.

I'd like to point out that the information I'm going to address, as well as the reported results in the financial tables of the Press Release, include the results of Mobilisa for the entire quarter for the 2009 period but only for the 17-day period from March 15, 2008 through March 31st 2008, since the merger with Mobilisa was completed on March 14, 2008.

Revenues for the quarter ending March 31, 2009 increased 84 percent to \$2,121,712 compared to \$1,153,134 for the previous years.

Revenues from the Company's historical business decreased 34 percent to \$541,571 compared to \$821,455 principally as a result of lower commercial sales to customers in the financial services market and lower software design fees.

Mobilisa's revenues were \$1,580,141 in the first three months of 2009 compared to \$331,679 in the period March 15, 2008 through March 31st, 2008.

Mobilisa's revenues in the 2009 period increased 15 percent on a pro forma basis over the full quarter of 2008 amount of \$1,378,589 had the merger taken place as of January 1, 2008. This increase is principally attributable to the Wireless R&D projects.

Total booked orders were \$867,000 in the first quarter of 2009 compared to \$1.1 million in the first quarter of 2008.

As of March 31, 2009, our backlog, which represents non-cancelable sales orders for products not yet shipped and services to be performed, was approximately 9.4 million at March 31, 2009 compared to \$12.7 million at March 31, 2008. Approximately \$5.3 million of the current backlog could be recognized over one to three years.

Mobilisa has a significant amount of multi-year research and development contracts with the US government that will be recognized as the research is performed.

In the Commercial ID market, the actual recognition periods are determined depending upon the release dates by the customer.

Our gross profit as a percentage of revenues was 65.8 percent for the three months ended March 31, 2009 compared to 66.2 percent for the three months ending March 31, 2008. Gross profit percentage stayed essentially the same.

Operating expenses, which consist of selling, general administrative, and research and development expenses, increased 57.1 percent to \$1,956,073 for the three months ending March 31, 2009 from \$1,245,268 for the three months ending March 31, 2008.

The Company's historical operating expenses in the first quarter of 2009 were at \$835,582 compared to \$1,037,267 in the first quarter of 2008, principally due to merger-related synergy savings.

Mobilisa's operating expenses were \$1,102,039 in the first quarter of 2009 compared to \$2,001,494 [sp] in the short period included in 238.

Merger-related intangible amortization costs were \$18,452 in the first three months of 2009 compared to \$6,507 in the first three months of 2008.

As the Company experiences sales growth, we expect that we will incur some additional operating expenses to support the growth, including the hiring of additional salespersons and the increase in marketing costs, such as participation in more trade shows and the generation of marketing materials.

Research and development expenses should also increase as the level of research and development projects increase and we continue to integrate additional projects and technologies with our patented ID Check technology.

Interest income decreased from \$30,878 for the three months ended March 31, 2008 to \$3,668 for the three months ending March 31, 2009, which is principally a result of a decrease in our invested cash and short-term investments, as well as approximately 6 percent lower interest rates received on our interest--our investments during 2009.

Our net loss was \$556,366, or two cents per share, for the three months ending March 31st, 2009 as compared to a net loss of \$451,464, or three cents per share, for the three months ending March 31, 2008.

Now I'd like to focus on the Company's liquidity and capital resources. As of March 31, 2009, the Company had cash and cash equivalents and short-term investments of \$2,825,661; working capital, defined as current assets minus current liabilities, of \$1,844,523; total assets of \$23,470,021, and stockholders' equity of \$20,211,391.

The Company currently has no bank financing, or no long-term debt.

During the three months ending March 31, 2009, the Company used net cash and short-term investments of approximately \$575,000. Net cash used in operating activities, was \$582,240--thousand dollars, including an income tax payment of \$145,354 in the first quarter of 2009 related to the pre-merger taxable income of Mobilisa, which was recorded on the consolidated balance sheet as of December 31st, 2008.

Capital expenditures were minimal at \$8,750. Cash proceeds from stock option exercises were \$15,703 in the first three months of 2009.

We currently anticipate that our available cash on hand and in marketable securities, as well as cash from the operations, will be sufficient to meet the anticipated working capital and capital expenditure requirements for at least the next 12 months.

As Nelson mentioned previously, on April 28th, 2009, the Company and TriCom Card Technologies, Inc. ended a long-term patent dispute litigation by entering into a patent settlement agreement and a license agreement.

Intelli-Check sued TriCom in 2003 for infringement of two patents related to machine reading of identification cards, including driver license. Pursuant to the

settlement agreement, TriCom acknowledged the validity of Intelli-Check Mobilisa's patents, and that sales of TriCom's Age Verification products are subject to the terms of a license agreement entered into contemporaneously with the settlement agreement.

The impact of this settlement is not expected to have a material impact on the financial statements.

I'll now turn it back over to Nelson.

Dr. Nelson Ludlow: Thank you, Pete.

Let me add, I'm very pleased with the settlement.

Our patents were acknowledged. We agreed to a license, and we can now focus on bigger issues.

And particularly, I want to focus on new business and development--new business development and sales for the Company.

Now we are seeing that the United States government is rethinking the Real ID Act, or certainly a delay in enforcing the Real ID Act. Now, I see this as positive for Intelli-Check Mobilisa. We have a 50-state solution that reads all the cards in all their many and varied formats.

I also continue to believe that--the importance of the TWIC program. Intelli-Check Mobilisa saw the value of the TWIC program early on. We developed the product early on, and we have recently won two pilot projects for the TWIC Reader at major seaports.

As of three weeks ago, this TWIC card was required for all workers at major US seaports. Now, we're receiving numerous calls every day from those ports about our

TWIC Readers, and this is not a product that someone is planning on building in the future.

Our product is out. It works. It's on the Homeland Security ICE List. It's being pilot tested by ports right now.

I personally foresee that the TWIC program may expand to cover airports, hazmat truck drivers, nuclear power plants, etc.

With over 175 seaports and the possibility of other facilities, TWIC is an important program for our Company to go after.

I do not see it happening as one big RFP. Rather, it will likely be numerous smaller sales, perhaps even port-by-port. Where some of the larger integrator--or contractors may bypass smaller port-by-port deals, Intelli-Check Mobilisa's sales force, we're prepared to meet with each one of those ports to demonstrate our product and make those deals and make the sales.

We have an outstanding solution. It's competitive on ruggedness, on features, on price, and it reads drivers' licenses plus the TWIC card, and, to our knowledge, the other systems do not do that.

As you've heard, we're increasing our emphasis on sales and business development. So, with that, let's have Steve Williams describe our new projects.

Steve?

Mr. Steve Williams: Thank you, Nelson.

We continue to build all three business units: Wireless, Government Identity, and Commercial Identity.

The Wireless business unit continues to successfully develop the Floating Area Network, or FAN, the Littoral Sensor Grid, or LSG, and the Radiation Hazard Modeling Software Tool, or RADHAZ.

The Wireless team is working to complete the Floating Area Network system and be the lead integrator for consolidated off-ship wireless systems supporting Triton Warrior 2010, our large-scale US Navy exercise.

FAN was identified in Triton Warrior 2008 as one of the most promising new technology. There's a recent increased interest in FAN to support several emerging operations in other areas of ongoing military operations that create a new market area within the Department of Defense.

The integration of our Floating Area Network identifies the utility yard communications capability that allows for the integration of existing, or yet to be developed, hardware into a single, inexpensive communication suite.

The Littoral Sensor Grid utilizes the lessons learned during the development of the Floating Area Network to create an even more robust communication system to protect the coastal and shoreline waterways around the globe.

With our partner, the University of Washington Advanced Physics Lab, we are creating the world's most advanced buoy communication system that allows for real-time monitoring of anything that is above, on, or below the surface of the water. We are currently on target to deploy an additional four buoys this summer.

In collaboration with Poulsbo Marine Science Center, we've installed an interactive demonstration of the Littoral Sensor Grid to bring awareness to both the security and environmental aspects of our system.

The Radiation Hazard Modeling Tool, or RADHAZ, continues to show promise with regards to expanding our market to areas other than the United States Air Force. We have seen significant interest in the ability to incorporate the ability to measure the effects of radio frequency on personnel on the field, but to also use our tools to incorporate buildings and lay the output on Google Earth for an even greater application.

We continue to research additional opportunities for both our RF modeling applications, AIRchitect and RADHAZ, and have received an additional \$385,000 in funding.

Our Government Identity systems had a first, as Nelson mentioned earlier, with the approval of our Transportation Worker Identification Credential, or TWIC Reader, for a pilot test. Continuing on the momentum from the first, we were able to gain approval for a second pilot test, this time at a major California port.

There are more than 175 seaports that can use our reader, and we will continue to seek to--approval for pilot testing and sales of our products, and we'll update our shareholders as we do.

The pilot tests vary in duration between port to port, but they are typically around 90-day tests. The main purpose of the pilot is to get product feedback for us, the port, and the Department of Homeland Security as opposed to the try-before-you-buy plan.

We are striving to make some initial quick sales within the next few months, which is by the end of government fiscal year, or September 30th, 2009.

Receiving the Army- and Navy-wide ATO, or Authority to Operate, for Defense ID enables military installations to purchase and install around the country. The significance of the ATOs is they are required to operate within the Department of

Defense, and these accreditations open the way for our sales force to pursue numerous opportunities. We have over 70 facilities supported by this product, adding another one this quarter.

We recently submitted several additional proposals with several new military bases. Recurring revenues from subscriptions and supplies continue to provide a significant portion of our Defense ID sales.

A couple of quarters ago, we released Defense ID on a newly updated hardware platform with an improved scanner. Fort Dix, New Jersey, just awarded us a contract to upgrade their system to the new scanners. We also have three other bases purchasing upgraded scanner equipment.

We recently attended the Identity Protection and Management Exposition, hosted by the Defense Manpower Data Center last week, the Smart Card Alliance this week, Border Security Expo next week, and the Force Protection Equipment Demonstration on May 19th and--to 21st. We are aggressively marketing our products, and will continue to do so.

We had yet another benchmark in development and sales of our Defense ID system to the first commercial entity, Force Protection, Incorporated.

The basics for the commercial variant of Defense ID are the same, while we've customized the databases that meet the demands of the commercial market space.

Our Commercial Identity systems continue to focus on Tier I retailers, grocers, and financial institutions. Our regular customers continue to be repeat customers: L1, Cross Match Technologies, Taft [sp], Fidelity National Information Services, and other

financial institutions. We continue to grow and support these customers, while launching pilots in other Tier I partners.

We have partnered with FISERV, a leading financial services company, providing products and services to the banking industry. Our joint product, which scans the driver's license and automates the new account process, is now located at over 130 stations. We've posted a case study published by FISERV about this product on our Website.

We continue with several pilot projects on the credit card application processes. Successful completion of these projects will result in rollouts to national retailers around the country. Our financial institutions create opportunities in a couple of areas with a variety of form factors, from loyalty programs to credit card applications. We continue to work with Barkley's, GE Money, and JPMorgan Chase to support these partners.

As with Government Identity systems, our current customers continue to purchase additional or recurring consumables.

Thank you, and I'll turn it back to Nelson. Nelson?

Dr. Nelson Ludlow: Thanks, Steve.

I'm very excited about the banking product that we put our website today with the case study from FISERV. This is an application for new accounts. If you go to a bank and you show your driver's license to open that account, it's one of our products and we're very excited about our partner doing that.

And as Steve said, we're at 130 different stations right now using that. So, this is shifting from an initial test to a real product that's out there.

As you can see, we've really increased our business opportunities significantly from where we were a year ago. So, I'm very excited about the business opportunities.

So, let's recap. We've increased the revenue this quarter by 84 percent over first quarter of 2008. We've completed the merger. We're one company now. This will be the last quarter, I believe, that we're going to be reporting revenues separately by Mobilisa or Intelli-Check, because we're one company, and the year now is complete.

We've added Army and Naval authorities to operate ATOs to our already existing certifications and accreditations.

We're working closely with our new IR and PR firm, the Investor Relations Group. I'm very pleased with their performance and the media that they've got us already.

We've started a non-deal road show to showcase our Company to the shareholders and new investors around the country. We conducted our first one just two weeks ago.

We've added new people to our sales team. That's critical, and I--I'm looking to add more salespeople.

We've undertaken two pilot programs of our TWIC Reader in major seaports in Washington State, and, as of yesterday, California.

We've strengthened our intellectual property standing by having a new patent issued and settling that longstanding lawsuit, and we've added another contract to our Defense ID product.

So, at this point, I'd like to address the questions you have. And out of respect for the other listeners, please state your name, organization. Try to clearly and succinctly state your comment or question, and we'll be glad to answer your question.

Operator: Thank you.

We will now be conducting the question-and-answer session.

If you would like to ask a question, please press star-one on your telephone keypad.

A confirmation tone will indicate that your line is in the question queue.

You may press star-two if you would like to remove your question from the queue.

For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys.

Our first question comes from Jack Edmund with Cohen Investments. Please state your question.

Mr. Jack Edmund: Yes, gentlemen. Congratulations. Now that there's one company, it sounds more exciting than ever.

Let me ask you a couple of questions on the TWIC card. First, this is prove--you know, possibly a very involved question as far as locales, but how many locations would you say there are potentially out there? If there's approximately 100 United States Army and Navy bases combined, if you add 175 seaports, how many additional US Air Force bases are there, Marines, Coast Guard, National Guard, and other type of public facilities do you think out there?

So, if we could say that potentially there's about 1,000 in the United States, continentally, could you see some place in the area of 1,000 facilities going out and looking at this product?

And if we use \$200,000 as an average cost for installation on these facilities, are we talking about a billion-dollar market potentially just from this one product alone?

Dr. Nelson Ludlow: Jack, thanks for your question.

Let me give you some real numbers here.

There's 59 Army forts or posts, 57 Naval, I believe. This is approximate, because these are the larger ones that would use it. There's actually many, many more smaller facilities. They don't qualify as a full base, but still have personnel and still have security concerns.

We're at about 28 of those locations in the Army-Navy. So that's another 88 that we could go to just there.

There's about 70 Air Force bases in the continental United States, 22 Marine Corps bases, 178 seaports. I don't know the exact number of Coast Guard stations off the top of my head, but, I mean, you're getting the numbers there.

Some of the National Guard facilities you talk about are actually co-located, but, yeah, the number's actually quite large.

We believe that a typical install for a military base is between \$200K and \$250K. Additionally, we've seen that bases start out at that point, and then they grow a little bit more. So, they'll buy additional equipment. After they've used it for a while, they say, "Hey, you know, I like those 12 handhelds that we have. I'd like to buy six more." So, it could grow.

We believe that the TWIC seaports will actually be larger purchases. Military bases often have about three or four gates per location. Some of these seaports have as many as, you know, 10, 20 different lanes of trucks coming in and out, and you certainly don't want the trucks stacked up--you know, slowed down for any reason.

So, they're already set up, these seaports, with numerous locations to come in and out for personnel and vehicles. So, we expect those purchases to be larger than \$250K, and our estimates are between half a million to a million per seaport.

I'll let you guys do the math. I don't like the theory of, saying winning every one of them and then multiplying it out, because that rarely happens for any company. But--.

Mr. Jack Edmund: --But you're saying there is obviously a very large market here, just on this TWICs card alone.

Dr. Nelson Ludlow: Absolutely.

Mr. Jack Edmund: And nobody's keying--there's nobody out there actually selling hardware right now that's doing the reading that we're doing in our tests?

Dr. Nelson Ludlow: There--on the TWIC Reader, there are a couple other companies. We were the first ones to announce that we have the TWIC Reader. We did get on the ICE List, and, to my knowledge, we were the only ones that passed all 14 tests of it. And I'm jazzed by it, because not only do we do TWIC, we do TWIC-plus. We read the driver's license.

Yeah. We'll have competition from other guys. That's okay.

Mr. Jack Edmund: But if they infringe on your patent, though?

Dr. Nelson Ludlow: If they infringe on the patent, then I have a General Counsel right here. That'll be a bad thing and we won't--we'll go after that.

The TWIC card's a non-proprietary government-standard open card, so other guys can do the TWIC. But the driver's license, like I said, we have 19 patents, or patents pending, are in the works on driver's licenses.

So, doing TWIC plus driver's licenses, I believe that's our space.

Mr. Jack Edmund: All right.

One last question. I'll let somebody else take it.

Can you talk about the wireless--add some color to the wireless-over-water applications as described in the recent news media with the Somali pirates, etc, what we could do in that respect?

Dr. Nelson Ludlow: Yeah.

That was exciting. They got to do an interview on XM Sirius radio, and they're on NPR radio. Somali pirates is--has got in the news recently, and they contacted us because we're--basically what we can do is provide wireless Internet capability over large spaces of water, remote locations, without just relying on satellites. So--.

Mr. Jack Edmund: --You mean surveillance capabilities--?

Dr. Nelson Ludlow: --Absolutely.

And so, what we can do is move super-high speed wireless, so video, any sensors, when boarding teams have cameras, that it could have covert sensors.

One of the problems that the Navy found is that these guys that board ships, they have to be special-weapons trained. It's a dangerous environment.

What language do these guys speak that you're going to be boarding the ship? You don't know. So, instead of trying to train a different linguist for every possibility of boarding teams, they'll just have a few guys that are trained in special weapons and tactics and be able to, through video screening, send that information back to the main ship, that they can safely have linguists, or even all the way back to the United States and have the linguists talking live at that situation.

So, putting bandwidth out there--and if you go to our Website, there is a very good three-minute video on the Floating Area Network and Admiral Archie Clemens, former four-star Admiral speaking about the importance of bandwidth to the Navy.

And I can't think of anything more important--Navy, than having that bandwidth out there in--it's the location of harm's way, and that's what our technology provides.

Mr. Jack Edmund: Okay.

Thanks very much.

Dr. Nelson Ludlow: Thank you.

Operator: Thank you.

Just a reminder, if you would like to ask a question, please press star-one on your telephone keypad. To remove yourself from the queue, please press star-two.

Our next question comes from Richard Carp with Rockwell Global. Please state your question.

Mr. Richard Carp: Thank you.

Actually, I have a few questions, but most of them are short.

Congratulations, guys, on increasing your revenues. I never doubted ever that you'd be continuing on this path.

I didn't know that you had hired an investor relations group. I found out recently, and left a message for James. Unfortunately, I never got a call back.

And, as you know, I've been involved with Intelli-Check. I did the original private, the bridge, and the IPO, and my clients at one time controlled almost half the float at one time.

And I've seen the Company come a long way, as far as in changes, and I'm very excited about directions we're going in.

I do have a couple of questions, though.

On the patent infringement case, which on the first conference call that we had, when you introduced your patent attorney, in the disclosure what you put, you don't say that we received any money. I mean, again, we took them to court. What year was that again, back in 19--?

Dr. Nelson Ludlow: --2003--.

Mr. Richard Carp: --All right.

2003, so, 2003 to--through--up to current date, we don't receive any back monies for sales that they've done?

If I remember correctly, we were in line trying to get 7-11 at one point. We were there, and they came in and grabbed it and got that chain at one point, and I was just curious. You didn't disclose any terms. Were we able to be compensated at all as shareholders for business stolen during that timeframe?

Dr. Nelson Ludlow: Okay, yeah.

Richard, yes--and, for the listeners, Richard was the one that helped our company--helped Intelli-Check go IPO. I wasn't involved with the Company at that time, but he and his group were absolutely instrumental in taking the company IPO, and thank you for that.

Regarding the patent, you're right, 2003. My view is this was a very long-standing thing that should've been resolved and sorted out. That's what we did with the help of both our General Counsel, John Lange, and Mark Baughman, who's the President

of TriCom Card. And they--everyone was very cooperative and helped work towards a-- in my view, a good deal.

The actual amounts are under a non-disclosure agreement, so I can't say. But, let me just say that it covers both past and future license agreements. So, it covers both of that.

So, that was sorted out. I'm very pleased with it. And in addition, they did clearly state in a Press Release that our patents were valid, and that's critical.

Mr. Richard Carp: But, no, that's great. I mean, it's been a long time coming. I'm glad that we're getting something for past efforts, as well.

Dr. Nelson Ludlow: Right.

Mr. Richard Carp: And, you know, you got some great publicity very recently. And when you talk about this wireless, it's funny. I had a guy who--in my office who is ex-Special Forces that was just offered a ludicrous amount of money to sit on an oil carrier for exactly what's going on with the pirates.

And, actually, he was talking about technology that was out there that I kept my mouth shut, but knew it was your technology, that is causing the excitement out there for not only carriers--oil carriers, but also for cruise lines.

Dr. Nelson Ludlow: Well, let me tell you one other interesting thing.

Our wireless technology is being used on a Navy program called Spartan, the unmanned surface vehicle. So, they can drive remote-control vehicles without anyone aboard with cameras and sensors into harm's way, such as where these pirates are. And even if the pirates do shoot them, there's nobody aboard, so it's safe, and that's our wireless technology.

Mr. Richard Carp: All right.

And I just want to make sure. I know that you were working on the--I believe it was the TWIC program. One of your partners was SAIC. Is that still the case?

Dr. Nelson Ludlow: We are partnered with SAIC on several projects, and particularly in the Wireless, as well. We are not partnered with SAIC on the TWIC program.

Mr. Richard Carp: Okay, all right.

Look, I just want to congratulate you guys. You guys just continue to plug forward.

Doc, I tried to get a hold of you, as well, during the quarter. When did the PR firm come aboard?

Dr. Nelson Ludlow: The PR firm, I believe, happened March--.

Mr. James Carbonara: --16th--.

Dr. Nelson Ludlow: --The 18th. In fact, it happened on the--basically the exact same day that we did our last conference call, which we just did about six weeks ago.

They're--a lot of this press that we're getting is--it's to their credit. And our Company's doing a lot of cool things, but we need their help to get the word out about the technologies and the products and services that we provide.

If I can grade internally our Company, that's an area I want us to improve. We do have the technology. We do have the patents. We do have the product. We got to get the word out. And so, that's what we're doing.

And these guys are good. And I did see that you called yesterday, and I think it was right, as I said, with the call. And so, I'm confident that IRG will give you a call back and--.

Mr. Richard Carp: --Not a problem.

The last comment: I know you guys don't need any money, but, as I always say, if you ever do, give me a call. It'd be great.

Oh, you guys are doing the right thing. Be glad to get you any additional funds you might ever need, just like I have in the past.

Dr. Nelson Ludlow: Appreciate it. Thank you.

Mr. Richard Carp: Great job guys.

Dr. Nelson Ludlow: Thank you.

Operator: Thank you.

Just a reminder, if you would like to ask a question, please press star-one on your telephone keypad. To remove yourself from the queue, please press star-two.

Our next question comes from Jack Edmund with Cohen Investments. Please state your question.

Mr. Jack Edmund: Yes.

I just wanted to ask you again, since Richard brought it up, with this product for the Somalis, are you saying that you have the wireless potential to do underwater or above-water drones like the Air Force does now?

Dr. Nelson Ludlow: We do above-water communications for the unmanned surface vehicle from ship-to-ship. So--and it is a drone. We do not do underwater.

Mr. Jack Edmund: So, potentially, you could have a attack vehicle that would be under the control of a buoy, or, you know, through another source.

Dr. Nelson Ludlow: Exactly right.

And if you Google a program called Spartan, S-P-A-R-T-A-N, you will see testing for unmanned surface vehicle. We demonstrated wireless on that, and that's one of our technologies.

Mr. Jack Edmund: All right.

And the last question. I'm going to let someone else take it.

Any potential for insiders to be buying stock?

Dr. Nelson Ludlow: There's--we were in a blackout period. So, if you--because I don't want any people to draw to the conclusion that we weren't buying because we're not excited about the Company. We are excited about the Company. And--but I have not talked to anybody about buying or not buying, so I don't have any information on that, but--other than we are going to be pulling out of the blackout period for the management team essentially just a day or two from this call.

Mr. Jack Edmund: Thank you.

Operator: Ladies and gentlemen, there are no further questions at this time.

I will turn the conference back over to management for closing comments.

Dr. Nelson Ludlow: Well, I want to thank the shareholders. Thank you for your questions, and what we're going to do--continue to do these conference calls and get information out.

I'm very jazzed about the IR/PR firm, and you'll see that we've had a lot more news and information to you, the shareholders. And I'll look forward to our next quarterly conference call. And appreciate the support. Thank you.

Operator: Ladies and gentlemen, this concludes today's teleconference. You may disconnect your lines at this time. Thank you all for your participation.