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Defense Solutions Holding, Inc. Is Focused On Supplying The World's Best Equipment To The U.S. Forces And Its Allies Including, Training, Latest Technology And Equipment Such As Tanks

**Industrial Goods
Aerospace/Defense Products
& Services
(DFSH-OTC: BB)**

Defense Solutions Holding, Inc.

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**COL (Ret) Timothy D. Ringgold, Ph.D.
Chief Executive Officer**

BIO:

Tim Ringgold formed DEFENSE SOLUTIONS upon his retirement from the US Army in 2001 with the philosophy that American soldiers deserve the best equipment, best training, and best leadership in order to do their jobs with the least possible risk.

Tim began his Army career right out of high school as an infantry private in 1971. After several years of enlisted service, he attended West Point, graduating

in 1978. He served a total of 30 years before retiring from active duty. Tim's Army assignments include enlisted service with 3rd Ranger Company, five years of troop duty in Germany where he commanded Audey Murphy's famed rifle company in the 3rd Infantry Division, commander of an M-1 tank battalion, service as Commandant of the Officer Candidate School and ROTC Instructor at Temple University; and Commander of an Infantry Brigade Combat Team.

Tim served 7 ½ years in the Pentagon, first as Director of Congressional Affairs for the Army National Guard (1992 to 1996) followed by three years as Deputy Assistant Chairman of the Joint Chiefs of Staff. In 1999, Tim assumed command of a mechanized infantry brigade combat team consisting of 6 battalions and more than four thousand soldiers. Tim commanded the brigade through the US Army trials which lead to the brigade's selection for the \$2 billion conversion to the Stryker Brigade Combat Team.

Tim's civilian education includes a Bachelor's degree from West Point, three Master's degrees (economics, legislative affairs and national security policy) from Temple University and the George Washington University and a doctorate (Ph.D.) in economics. He is a graduate of both the US Army Command and General Staff College and the US Army War College.

Immediately after the terrorist attacks of September 11, 2001, the Bush Administration called on Tim's widely recognized interagency skills, political acumen, and national security expertise to write the 2002 White House study, "Critical Infrastructure Protection (Classified)."

In this capacity, Tim helped influence national priorities in the aftermath of the 911 terrorist attacks.

Tim is a prolific writer and poised public speaker who can communicate effectively with wide ranging audiences - and win their support. He is called on frequently as a guest speaker and panellist on Homeland Security, Defense transformation and military policy issues and has appeared on CNN, Fox, and CNBC television networks. From 2004 to 2008, he served as the Homeland Security columnist and a Member of the Advisory Board for Security Products magazine and he continues to serve, as he has since 2003, on the Board of Directors of the National Infantry Association.

Tim's military decorations include the Defense Superior Service Medal, the Legion of Merit, the Defense Meritorious Service Medal, five Meritorious Service Medals, the Army Staff Badge, the Joint Chiefs of Staff Badge, and numerous other awards. At his retirement, he was honoured with a citation for distinguished public service from the Pennsylvania House of Representatives and awarded the Pennsylvania Meritorious Service Medal by Governor Tom Ridge.

Company Profile:

Defense Solutions Holding, Inc. (OTC: BB-DFSH) is headquartered in Exton, PA. Established in 2001, the firms' founding philosophy was to deliver the world's best solutions to military members so they can perform their jobs with minimal risk. Defense Solutions has worked for Federal and State departments and agencies, the White House, and international allied organizations including

Iraq's Defense Ministry, NATO, and the Multi-National Force in Iraq.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Col. Ringgold, what was the vision when the company started in 2001, and where are you today?

Col. Ringgold: The company vision when I founded it in 2001 was to assist in the modernization of the US Army. I was just completing 30 years on active duty in the United States Army, and had just commanded one of the army's foremost formations. I had a brigade of over 4000 soldiers and this was before 9/11. The world was relatively at peace, but the army that I spent 30 years with was going through a modernization program and I had just commanded one of the army's most modern formations. So I wanted to dedicate my time and effort into continuing the vision of modernizing the Army. The founding philosophy of the firm is that we would be involved only in supplying the world's best technologies to our American soldiers because we believe that those American soldiers deserve the best equipment, the best training, the best leadership in order to effectively do their job and get home as safely as possible. So the vision was to focus then on the development, the modernization of the United States Army. That vision changed somewhat over the years, the difference since 9/11 occurred just six weeks after I formed the company. I spent the fall of 2001 and the spring of 2002 working at the White House where I ran the interagency task force on critical infrastructure protection, which had nothing to do with the modernization of the United States Army, and everything to do with homeland security. So for a number of years we dealt directly with homeland security issues and then in 2005 during the third year of the US efforts in Iraq I got invited to participate in a contract to supply heavy equipment particularly main battle tanks to the army of Iraq. So the vision that was started in 2001 of supplying only the world's best equipment to US forces became a standard to

improve supplies and equipment to American allies, training and latest technologies to America and its allies and that is what our main focus is today. We do things other than defense, but our main core business is supplying the equipment, the technology to maintenance and training for soldiers for them to do their jobs as safely as possible and hopefully get home as soon as possible.

CEOCFO: Is this equipment that you manufacture, or are you the middle person in getting the equipment to the right place?

Col. Ringgold: We are the system integrator and prime contractor. We did our first contracting in 2005 where we began supplying heavy equipment to the army of Iraq. We acquired that equipment in central and Eastern Europe, we refurbished it

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in Europe and then we shipped and delivered it to Iraq. So later we added the extra depths and capability of refurbishing the equipment, where we were working on equipment originally manufactured in the late 1970's and early 1980's, and our job was only to make the equipment as if it was new. It was still 1980's technology even though it was 25 years later. But that was the state of the Iraqi army. It didn't have the ability to establish or to integrate new technologies, didn't know how to operate them. What has transformed or changed since that time, is that we have developed an extensive array of technologies; almost none of them designed by us. However, we have become the integrator to take radios manufactured by ITT to take engines manufactured by Cummins and transmissions by Allison, and weapon systems by ATK or US Ordnance or others, and integrated into a

platform of modern combat vehicles. So what we produce, what we assemble is from component parts manufactured by many different suppliers, different companies, and we produce a very, very modern armored combat vehicle that would be still comfortable in our many modern battlefields on the planet.

CEOCFO: Are these new parts?

Col. Ringgold: Yes, for example one of our products, the product we developed is the T-91 Main Battle Tank. The T-91 is the hull of a T-72 tank, which is a 30-year old tank, but it is a steel hull. We take that hull and other than manufacture a new hull, we will sandblast it, clean it up, and do some minor modifications to it. But we use the hull and we add all new engine transmissions, new suspensions, shocks, tracks, new weapons systems, new radio, and new driving system. All of it is new parts other than the base is a 30 or 35 year-old tank shell.

CEOCFO: What is the difference in cost?

Col. Ringgold: We have been delivering our tanks for at least 40% lower in cost than their peer competitor.

CEOCFO: Where do you find the hulls?

Col. Ringgold: The hulls are in use in at least 40 countries.

So there is no shortage of them, at least so far. There are sufficient quantities available; approximately 25,000 of this particular make and model of tanks that we modernize. Frankly 20,000 or more are still in-use around the globe. So acquiring them is not a challenge. The challenge is knowing how to add on all the additional technologies and we have mastered that. With all do respect that is one of about a dozen similar technologies that we developed platforms and integration for.

CEOCFO: Would you mention a couple of your other products?

Col. Ringgold: I will do two more. That was a tank. We also have an armored personnel carrier known as the BTR-4. The BTR family of vehicles has been around since about 1950, but they all

have one significant problem and there have been no less than 75,000 of these armored combat vehicles made since 1950. That is a lot of armored combat vehicles and there may even be 100,000. However, they all have what I consider a fatal flaw in that they are all rear engined and if you have the engine in the rear you can't have troop access through the rear of the vehicle. In addition, these have eight wheels on them, so they are wheel vehicles. They have four wheels on each side, and the doors to get into the vehicle are on the side. You have to enter in between the spacing on the wheels, so that is something that restricts how big of a door you can have. Therefore, you have a problem of you can't enter into the rear when the front of the vehicle is facing towards the enemy which, it should be. The rear of the vehicle is a safe area, but you can't come in that way. You've got to get in and out of the side door, and the size of the side door is limited because of the spacing of the wheels. Sixty years ago that wasn't a problem because soldiers tended to be much smaller than they are today. I don't know if you can appreciate that but, nutrition has been a wonderful thing. If you have seen stories where Vietnamese immigrants who came to the United States in the 1970's, their children go back to Vietnam to see their cousins and these are blood relative cousins and the American-raised Vietnamese is a head taller. Take that combined with the fact that the modern armies in the world all add body armor on their soldiers and that bulks them up even bigger. So now you have a problem; you got more than 50,000 of these vehicles in service around the world and they are becoming obsolete. Soldiers can't easily get in and out of them wearing body armor and the fact the soldiers are just bigger. So we developed a mid-engine rear entry BTR in cooperation with the original BTR manufacturer, which is a company in the Ukraine and then we modernized it -- or westernized it -- with American engines, American transmissions, American communications, American optics, American fire control and weapon systems. It is just a superior vehicle. It is equal to the best in the world and yet averages anywhere from 30 to 40% less cost than its peer competitors.

CEOCFO: You mentioned another piece of equipment?

Col. Ringgold: Yes, one more. The United States Army and The United States Marine Corps both use the same heavy mortar system. A mortar is an artillery piece that infantry soldiers use. It is an indirect fire weapon, it is high-angle fire, it shoots almost straight up and then comes down. It is for shooting over mountains. It is not like a tank, which is a direct-fire weapon. A tank has to be able to see you to hit you, but you fire artillery at a target you can't see long range. Our 120-millimeter mortar system is produced in the United States, but the owner of the intellectual property is an Israeli firm. When the United States ran the competition to select its new weapons system an Israeli company won the competition. Now the American Army and US Marine Corp are not going to send soldiers into combat with an Israeli weapon, so this weapons system is manufactured in the United States. It is not allowed to be sold by the United States government to others; it can only produce it for itself. The reason I give you this background is every army in the world wants to look just like the United States Army, they want to be equipped identical to the United States Army, because the United States Army is the best in the world. You can appreciate that every soldier in every country out there wants to be just like the Americans. Here you have weapons system that the Americans are using that has the Israeli roots to it and consequently it cannot be sold in many parts of the world such as Iraq. In addition, Iraq is not going to buy it from Israel, so what we did is we acquired the rights to it and we have established a manufacturing facility in an Arab country. We have the right to produce it and we have the right to market it only to Arab countries. My belief is that every army wants to look like the American army and they want to have the same weapons as the Americans do, I cannot think of a better credential for a sales promotion than to say this is what the United States Army, or this is what the United States Marine Corp uses.

CEOCFO: What is the competitive landscape; other than buying new are there

any companies that provide similar services?

Col. Ringgold: There certainly are. The major players, the General Dynamics, Raytheon, Lockheed Martin or the international companies such as Hyundai, they all focus on new productions. Many armies in the world cannot afford new production. The stuff that we make, our remanufactured tanks will never be sold to a first-world country, because they will either manufacture their own or buy from one of the first-world companies, such as General Dynamics. The Brits are not going to buy American tanks, they are going to make their own, the French will make their own, the Germans will make their own. Any other first-world country is probably going to make its own tank. When you get down to the second world or the third world, they don't have the ability to make their own and they cannot afford first world tanks. There really is no justification for the extent of buying a first-world army tank because the soldiers who would operate it do not have the skill set in order to know how to capitalize on the technology. If you ever watched the average eight or nine year-old playing a video game, you can appreciate that any nine year-old out there can beat me at a video game. In order to operate the Abrams, the US Army main battle tank, know exactly how to operate the advanced technology because they grew up with it all their lives, as they have had PlayStation and other video games. Now you take an Iraqi who may be 21 years-old, probably out of school since 2003 because of the US-led invasion. He probably was not very sharp in school to begin with, no experience with DVDs, computers, video games and stuff like that. Therefore, when you put him in an Abrams Tank, with training he can do some things very well. But if I put you or me in there, we can do pretty well, bring along a nine year-old, well. So a country like Iraq buying an Abrams Tank makes no sense. They cannot afford it, and they will never get the value from it.

CEOCFO: Are countries coming to you or do you actively go out and solicit business?

Col. Ringgold: It is a little bit of both, but mainly the latter. We are still a very small company. We have some good cre-

dentials and some well-known people who are affiliated with an organization, but by and large we have to go seek out the business. This is because of the long decision cycle for a country buying these types of equipment that we are promoting, and that is because once a country makes a commitment they are stuck with it for 20,30,40,50, years or more. The main battle tanks that the United States Army is using today in Iraq and Afghanistan is based on 1970 technology. It has been upgraded many times, but it is the same tank. We started fielding the Abrams in 1979 and they were in development since the mid-1960's. The tanks that we supplied to Iraq were built in 1980 and so they are 29 years old, but we got them from the Hungarians who had them for 20 years or more in their inventory. Countries have these vehicles for a long, long, time. So it takes a long decision cycle. You have to go see them; they have to come see the vehicles. They want to drive it, see it manufactured, and they want to know that the support is going to be there 20 years from now, so that when they buy it they can get parts for it. It is a very lengthy process.

CEOCFO: You mentioned Iraq; where else are you doing business or looking to do business?

Col. Ringgold: We are all over the Middle East, but Iraq is the only country where we are selling products. We are looking at Jordan right now as a base of operation and I may in the not-so-distant future, create some manufacturing capability for our combat vehicles in Jordan. Jordan is a very western-friendly country, it has a very enlightened leader and it is just a good place to do business. We are in discussions with a number of other countries in the Middle-East and North African countries. We do much of our work in Central and Eastern Europe. We have an office in Budapest Hungary and Skopje Macedonia. We have partnerships with companies there and partnership with a company in Ukraine, but we don't have an office.

CEOCFO: What is the financial picture like for Defense Solutions Holding today?

Col. Ringgold: 2009 was an extremely difficult year. We only have a couple of million dollars in revenues this year and

that is partly because of the long decision cycle. Right now we have a contract on the table for \$58 million that we are analyzing and I hope over the next week or so to be able to execute that. There is no shortage of opportunities in Iraq. I want to transition from discussion on the heavy combat equipment and focus in on Iraq for a second. Iraq has been an obsession for me, I have spent many months there, and I have an Iraqi family living in my house. My executive assistant from Iraq became a refugee. She and her three children made their way to the United States and my wife and I took them into our home. We've accepted the mom as our daughter and her children as our grandchildren. We went to Iraq in 2005 at the invitation of the United States Army. I did not believe US forces would be in Iraq for the long-term. I thought that we would be out in 2006, no later than 2007. In other words I was wrong. I made the decision in 2006 that this company intended to stay for the long-haul in Iraq. If you want to stay for the long-haul you have to deal with the Iraqis. Virtually every American company that is doing work in Iraq today is working on a United States Government contract. They are not there working on contracts issued by the Iraqi government. I want to draw this distinction; we went to Iraq to work with the Iraqi people. We have made the investment of becoming a licensed, authorized registered company in Iraq. We are an American company; we have that distinction. I am sure there are others, but I have never met one in Iraq; that is I have never met another American company working directly with the Iraqi government. The commercial contracts come from whomever, but the government contracts come from the Iraqi government not the United States government. Eight months from now when US forces are reduced by two-thirds, and then two years from now when they are all gone, all of those American contracts that everybody else has worked on are going to be gone, and Defense Solutions will still be in Iraq, still working directly with the Iraqis. This is a huge investment on the part of Defense Solutions and a huge competitive advantage that we have because frankly Iraq needs everything. The work that we are doing in Iraq is not just trying to supply military equipment. That

is what we went to Iraq for, but since working there we have expanded our service offering to include commodities. We are currently representing seven oil refineries, international refineries for the acquisition of Iraqi oil, which is the only way Iraq has to pay for anything. We are selling the only product that Iraq has to export, oil. We are supplying to them virtually everything else they need or we are trying to. If they need a commodity like cement, we align them with suppliers that are working through the government process to do that. We got solar street lights in Iraq being evaluated, medical supplies from a US manufacturer being evaluated by the Iraqis as well as security and defense technologies.

CEOCFO: In closing, why should potential investors pay attention, and address concerns that people may have about doing business in that part of the world?

CEOCFO: Well they should be concerned; everything in that part of the world is risk. However, if an investor is looking for a higher rate of return, what better opportunity can there be than a country coming out of war! Every part of the Iraq economy will benefit, from security, infrastructure, housing, tourism, and oil exportation. With our company's relationships and diversification, we see Defense Solutions as a first mover that can capitalize on any part of this rebuilding of Iraq. We have positioned ourselves in Iraq and America so that every stock holder of Defense Solutions will benefit. Iraq is a country of 30 million people with 22% of the world's oil. So they have got the resources and if it is properly managed they can afford to buy anything they want to buy. Iraq has a 56 billion dollar budget funded by oil. They have the resources and Iraq needs everything. For me this is the place to be and the fact that we are virtually the only Americans with offices in Baghdad working directly with the government, I feel this gives us a huge competitive advantage. Are there risks? Absolutely! This should not be a decision made lightly, but I am convinced that we are sitting precisely at the right place at the right time to be the trusted supplier of a country with 30 million people with 22% of the world's oil.