



# CEOCFO

## Interviews & News!

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### The New Management Team At The Combined Company Of Intelli-Check – Mobilisa Is Writing A Successful Turnaround Story With Positive Cash Flow In A Very Lucrative Market

**Technology  
Business Software & Services  
(IDN-AMEX)**

**Intelli-Check – Mobilisa, Inc.**

**191 Otto Street  
Port Townsend, WA 98368  
Phone: 360-344-3233**



**Nelson Ludlow, PhD  
Chief Executive Officer and Director**

#### **BIO:**

Nelson Ludlow, PhD was named the Chief Executive Officer and Director of the Company on March 14, 2008. He was a co-founder of Mobilisa, Inc. and has been its Chief Executive Officer and a director since its inception in March 2001. Dr. Ludlow has over 20 years experience in software development for the military and corporate sectors.

While in the Air Force, Dr. Ludlow

served as a mathematician, a pilot, an intelligence officer at the National Air Intelligence Center, Technical Director for Artificial Intelligence at USAF Rome Laboratory, Assistant Professor of Computer Science at the Naval Postgraduate School, and the Director of Technology and Services for Radar Evaluation Squadron.

In the corporate sector, Dr. Ludlow served as the Director of C2 Modeling for SAIC, Chief Scientist for the ORINCON Corporation and Chief Technology Officer for Ameranth Wireless--all in San Diego. He holds a PhD in Artificial Intelligence from the University of Edinburgh, Scotland and completed Post-Doctoral work in Computer Science at the University of Cambridge, England.

Additional degrees include a Bachelors of Science Degree from Washington State University in Math and Physical Sciences, as well as a Masters of Science degree in Computer Science from Wright State University in Dayton, Ohio.

#### **Company Profile:**

Intelli-Check – Mobilisa is a leading technology company in developing and marketing wireless technology and identity systems for various applications including mobile and handheld wireless devices for the government, military and commercial markets. Products include the Defense ID systems, an advanced ID card access-control product that is currently protecting over 50 military and federal locations and ID-CHECK a technology that instantly reads, analyzes, and verifies encoded data in magnetic strips and barcodes on government-issued IDs from approximately 60 jurisdictions in the U.S.

and Canada to determine if the content and format are valid.

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

**CEOCFO:** Dr. Ludlow, what is the vision for the newly merged company?

**Dr. Ludlow:** “What our company focuses on is identity cards; how to read them, how to take that information and process them and to make the user’s life easier. For example, if you show a drivers’ license when you are processing the paperwork to get your rental car; instead of having to stand in line and have someone type in your information, one can process that faster by automatically reading your drivers’ license. Another example would be while applying for a credit card, instead of the old way of someone writing down all your information including your Drivers’ License and social security number, you could do it yourself at a kiosk and simply scan your Drivers’ License and answer a few questions, making the process much safer, particularly safeguarding against identity theft. It is also a pro-green product, because you process online, rather than filling out forms.”

**CEOCFO:** Tell us about your actual products; what you are supplying and who is using them today.

**Dr. Ludlow:** “One of our products is called ‘Defense ID®’ and is used in many federal locations and military bases. That would include Andrew’s Air Force Base in Washington D.C., home of Air Force One. If a visitor or a person drives onto that military base, the military guards use one of our products, which looks just like a price-gun scanner that’s used in a Wal-

Mart or K-mart, to quickly read that person's identity card. However, we have modified the scanner and installed our patented ID-card reading software in the product. It reads US and Canadian drivers' licenses, all forms of military identity cards, most government-issued ID cards, takes that information and checks it against terrorist lists or bad-guy's lists.

This system has stopped over 25,000 people over the last three years. It's a very good product for access control.

Another one of our products is our kiosk to quickly and safely apply for credit cards. Many retailers are finding a much higher success rate of using our system and auto-scanning an ID than hiring staff to give out application forms. Our system can also be integrated into the retailer's Point of Sale or POS. Instead of the scanner scanning the boxes at the checkout, they can scan the customer's drivers' license. Customers answer a couple of quick questions and the customer often receives instant approval. In some cases, we print a token that the store clerk gives that can serve as a temporary credit card within that store. The result for one retailer was more new credit card applications in two weeks than they had all year. That is one of our commercialized systems."

**CEO CFO:** Are companies looking to do the electronic scanning or do you have to convince people that it is time to go with your product?

**Dr. Ludlow:** "The tide is really turning on this. Some of our patents date all the way back to 1996 and 1998. So, we have been doing this for quite a while. However, back then not all drivers' licenses had machine-readable zones, a bar code, or a magnetic strip. Now, virtually all drivers' licenses and government IDs have some form of machine-readable zone on them. Wyoming was the last state to add a readable zone a few years ago. Almost every adult has a drivers' license or identity card in their wallet. While some companies are trying to issue their own cards, such as the Frequent Visitor or Frequent Customer card. The problem is "who wants all those cards in

their wallet?" I don't. The most common card that anybody in the US has in their wallets is a drivers' license. There are many useful applications that you could do with ID cards. That's what Intelli-Check Mobilisa does. The time has come for the identity business."

**CEO CFO:** Tell me a bit about the merger.

**Dr. Ludlow:** "The merger was between two companies. Intelli-Check, which was a publicly traded company on the AMEX with a ticker symbol IDN, had a strong patent portfolio, and identity applications for the Commercial space. Mobilisa did identity applications for the Government space, as well as mobile and wireless work.

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very well with healthy increases each year in revenue and was profitable. Intelli-Check however, was not profitable. We saw how we could combine two companies for the best of both worlds.

We have a new management team. I was the CEO of Mobilisa and when we did the merger, I became the CEO of the combined company. The COO, the senior vice president, business development people came from Mobilisa, and we retained the CFO of Intelli-Check who recently joined that company. We also kept their lead technical person, the CTO. We've changed the business model, integrated our product lines, and streamlined our operations. We have made customer service our top priority.

Bottom line, we have a new company, new board and a new direction. We are much stronger company."

**CEO CFO:** What's the competitive landscape like for you?

**Dr. Ludlow:** "Intelli-Check has many of the patents for drivers' licenses and ID card space. There are not a lot of other competitors. We do work with many companies that make hardware bar code scanners, such as, Motorola, Intermec and DAP. So, we work with all of the leaders and sometimes they may creep into the applications space, but primarily, the software part of this is ours and the hardware that is basically theirs.

There is another company called L1, which does identity work, particularly with fingerprints, facial recognition and retinal scanning. However, what we focus on the ID card applications piece. Therefore, we really have a niche market and we are really one of the leading companies in that space."

**CEO CFO:** Would you tell me about your new TWIC Reader?

**Dr. Ludlow:** "TWIC stands for the Transportation Worker Identity Credential. That is a very interesting card because it is the government's largest issuance of new ID cards. It is from the Department of Homeland Security and essentially, every worker in a seaport and then eventually every worker at

an airport must have one of these cards. If you are a truck driver that's delivering something to the seaport, the crane operator, you work there or you are the loading dock person, you need to get one of these cards. They first do a background check on every cardholder and then issue the ID.

The interesting part is that although the government is issuing these cards, only and just until last month, they did not have a reader to read these cards. Just a few months ago, we invented a TWIC card reader and we are the only one that had one of these TWIC card readers that can read the card in all the possible ways. There is fingerprint, and a PIN just like you would use for ATMs. There is a smart chip, there is a magnetic stripe, and there are barcodes. It is a very sophisticated ID card and our product reads this card in all possible ways. Homeland Se-

curity just recently announced a program where they intend to purchase readers and of course we are going to respond to that request for proposal.”

**CEOCFO:** What do you see in the next two, three years for the company?

**Dr. Ludlow:** “We definitely are going to continue to grow in the government space. The TWIC card program is a big deal to us, as there are over 100 US seaports. Just last month, we had installed one of our readers in a veteran’s VA hospital. There are well over 100 veterans hospitals and hundreds of clinics across the nation that need access control systems. There are many other government groups that are now trying to check your ID card. Our products are in use at nearly 50 military bases but there are dozens of other military bases that could use such a system. Therefore, there is a lot of upside in the government space for our products.”

**CEOCFO:** What do you see as your challenges going forward and how are you ready?

**Dr. Ludlow:** “One of the challenges is hiring good people and we have been doing that. We actively are looking for

the right talented people; engineers, computer scientists, network engineers. The other is just to make sure that people know of this growing small company. Last year we opened up an office in Washington DC and that was a very good decision for us. It is definitely a challenge to be able to keep up with all the new government initiatives. Having our office with our business development people, our chief operating officer, our marketing people, sales folks, in the Washington DC area was a good decision for us.”

**CEOCFO:** Sum up for potential investors; why should they be interested and what might be overlooked or misunderstood?

**Dr. Ludlow:** “I have recently bought stock myself and the reason I am excited about the company is we have patents and build applications that read the most available card to anyone in the United States—the drivers’ license.

There are many other companies that are saying, “Hey I would like to put a smart chip in my card” and they will invent their own proprietary cards. The problem is, their card will likely never be adopted. It will never become the standard across

the country. It is too hard to tell everyone to carry some special card. The de facto card already exists in the driver’s license. Even the states themselves don’t want to go to a National ID card. Indiana wants its own driver’s license and California wants its own license. That is good for us, because we are the company that has the patents in this space. We are the ones that have the expertise in reading those cards and building quality applications with them.

Since we shifted from just selling the software development kits, we are making our own applications now. In addition, we service and support our products with our 24-hour / 7-days a week service desk. We get paid for these services.

The company is growing, and we have taken a very good idea from the old Intelli-Check and now making it a professional business. The stock price is low right now and I think this is an excellent time for investors to take a look at our company.”

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**INTELLI-CHECK ✓ MOBILISA™**  
*Leading the way in Identity and Wireless Solutions*

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