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PCT LTD Hospital Infection Control System installed in seven hospitals and expanding

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Interview with:
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President and Chairman

PCT LTD
(OTC:PINK "PCTL")

www.para-con.com
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CEOCFO: *Mr. Grieco, what is the idea behind PCT LTD, today?*

Mr. Grieco: Infection control systems. The primary thrust is healthcare. We are currently in seven hospitals; primarily in the New York City area as well as North Carolina and Nevada. We are working to grow our healthcare division as I say, that is our primary thrust; however, we also have interests in agriculture and oil and gas.

CEOCFO: *Your site indicates PCT is introducing a new disruptive technology in the world of hospital disinfection. What have you developed? What is the technology?*

Mr. Grieco: It is a new technological infection control system placed into a healthcare facility, where the fluids for cleaning and disinfecting the environment are generated on-site and on-demand. The solutions generated are "Green," safe for the healthcare environment, patients, visitors, staff and pets; however, deadly to pathogenic germs. We utilize electrostatic technology (SMART Technology) to apply the broad-spectrum disinfectant, making the job of disinfecting more effective and efficient. The use of this SMART electrostatic technology helps to remove human error from the disinfecting process. The efficacy of both solutions is electronically tracked and its use can be tracked throughout the hospital. We have developed cleaning and disinfecting protocols, utilized with our patented RFID material tracking system, for the proper use of our solutions and electrostatic applicators being used in every area of the facility. The primary function is to make the healthcare environment safe for patients, visitors and staff. Our goal is to eliminate the healthcare environment as a source of transmission of infection!

CEOCFO: *Are there other systems that make the disinfectant on site or is this a new concept?*

Mr. Grieco: There are some others. However, they do not have the automation that ours does. More than that, they do not have the protocols and tracking. When you fill a bottle from our infection control system, that bottle is time stamped with a date electronically noting when it was filled and when it expires. The tracking also gives key members of the facility a very good understanding of who is cleaning and disinfecting, what protocols are being followed and where in the facility. Furthermore, it can give information about which areas of the facility have not been cleaned and disinfected by the staff. The system also tracks the time taken to complete a protocol. Here's an example: if the protocol used is "clean and disinfect the public restroom" and if someone scans-in that they are cleaning and disinfecting the restroom, but they are out twenty-five seconds later, you know that they did not do a very good job. If they spend forty-five minutes in there, you know they brought a book in to read or they were likely on their cell phone. To do a very good job of cleaning and disinfecting the public restroom, it should take eight to ten minutes. That would be to clean and disinfect all the

touch areas, all the stalls, all of the high touch surfaces that are in the restroom facility. When it comes to terminal cleaning and disinfecting the patient room, we have electrostatic applicators that are used to disinfect the room once it has been cleaned. Our SMART electrostatic applicators are electrostatic carts or handheld applicators. We are one of very few that have this technology.

Our protocols and our electrostatic systems allow a person to perform a room clean and to disinfect quicker and with better efficacy than current cleaning and disinfecting protocols that use "traditional" solutions. Our cleaning solution is catholyte, which is a surfactant / general cleaner that releases oils and soil on the high-touch surface areas like bedside trays, light switches, the door handles, etc. The disinfectant is a broad-spectrum disinfectant, which is even effective against C. difficile. The disinfectant is applied electrostatically, which means that the particles are electrically charged and when you apply to an area, the disinfectant does not just get on the surface, it will "wrap around" everything in that room. The patient room is generally disinfected using PCT Corp.'s 360° SMART Cart. The adjoining restroom is usually disinfected with a hand-held SMART applicator. Once the 360° cart has been activated the staff member can continue working in the bathroom or in another nearby location. The electrostatic disinfectant application takes only minutes to completely disinfect all the surfaces in these rooms.

CEOFO: *Are hospitals actively looking for a better way or is it more that they are happy to find out PCT exists?*

Mr. Grieco: Again, that is a difficult question, mainly because there has to be a shift in the hospital's mindset; hence the name of the company *Paradigm Convergence Technologies*. The disinfectant fluid we produce and use, features hypochlorous acid as its active ingredient. The common things that hospitals are using now are bleach, peroxide, quaternary ammoniums, and in some instances, they may be using ultraviolet light. All of those things have an effect, but some are not as effective as ours and some are not as people friendly. Some traditional hospital disinfectants may be harmful to the people actually doing the work.

"Our goal is to eliminate the healthcare environment as a source of transmission of infection!"- Gary Grieco

With our Annihilizer® products and infection control system, if you happened to inhale the solution, if you got it on your skin, or in your eyes, it would not be harmful. Whereas it would not be safe to get some of the other chemicals i.e. bleach, peroxide, quaternary ammoniums inhaled, on your skin or in your eyes, so from that point of view it is far more user friendly and our disinfectant is very efficacious.

Another thing to take into consideration is that healthcare acquired infections generally are not covered by insurance anymore. That change occurred two years ago. For example, from my personal experience, at some point a couple years ago, I went in for an operation and I got MRSA. I spent two months in the hospital and the hospital bill was \$218,000! Well, they [the hospital] got paid for whatever portion that Medicare and the insurance company agreed to pay them. Now, they do not!

CEOFO: *How many hospitals are you in so far and what has been the response?*

Mr. Grieco: So far, we are in seven hospitals. We are batting one hundred percent for retention where the hospital agrees to our Phase I installation, which is putting the system in and demonstrating how it works. None of the hospitals have ever returned it and some have moved to multiple systems! We expect to grow at the rate of a minimum of two hospitals a month for the first part of this year and then to double that for the second half of the year.

CEOFO: *There are so many new ideas and services for hospitals to consider. What is the key to getting a foot in the door?*

Mr. Grieco: I would love to have the answer to this question! I have told people that I think I would rather sell a jet plane to the US government than try to get a product into a hospital again! It is very difficult, especially for a small company! There have been some people, and this is just gratifying on a personal level, who have recognized what we have accomplished. I have had people say that they never would have believed that we would have ever gotten into hospitals. The mere fact that the next hospital we will be going into was one of the ones that approached us is a major accomplishment, and I think you are going to be seeing more and more of that.

CEO CFO: *You mentioned oil and gas. Would you tell about your application for that industry?*

Mr. Grieco: One of the obvious uses is the treatments of fluids or the waters used in the completion of wells and even on the recovery. However, in the completion part, you cannot have other bacteria there, because it inter-reacts with some of the things they are using and/or the formation. The biggest case in point is sour oil and gas which contains hydrogen sulfide (H₂S) gas, which is caused by bacteria. With the advent of horizontal drilling in the last fifteen years and the demand for drilling fluids, H₂S has been a problem because it does occur naturally in some areas. However, that has grown significantly because, in the demand for water to complete these big wells with, they have had difficulty in some areas getting it. Therefore, they have gone to where the recovery water is disposed of in disposal wells, gotten the water from them; it has been contaminated with the hydrogen sulfide bacteria, and now they have infected that formation.

The way to look at it is that if you sent your four-year-old to daycare with the flu, in three days there are going to be seven or eight people who are going to have it. Our product works magnificently against it! We have tested down-hole, which can be cumbersome for big operations, but we have recently been testing very successfully above ground, starting with natural gas, as it goes into the flow lines that are going to the pipelines that will market the gas. Again, it is sort of like what happened with the insurance companies in the hospitals, about a year ago, pipeline companies refuse, they will not accept, natural gas that carries five parts per million or more of hydrogen sulfide. At one point you could still sell it, so there are many wells that have been shut in because there is fifty, one hundred, four hundred, six hundred parts per million. We have been doing some tests; in fact, I will be going to Oklahoma in the next week or so, getting some more formal testing done on their protocols. However, we envision that as a very, very large market.

CEO CFO: *Are you funded now? Are you seeking partnership, investments or funding as you move forward?*

Mr. Grieco: Yes. Obviously, for a small company, that has been our greatest, most stubborn obstacle! First of all, the length of time that it takes to get into hospitals, and second of all, the length of time; even once you make your first presentation, the average time is about six months before you get them to agree to a Phase I Installation! Those things are very costly for us to provide. We are sending in our own Infection Preventionist, former Hospital EVS Administrator and our Technical Engineer to discuss our system, the fluid side itself and on how all the machines operate; that's expensive. Therefore, yes! We are certainly looking for funding now; I guess the correct term would be an angel funder, from this point. Someone who understands what we do, see its impact to the healthcare system of this country, see its impact to a company that can deliver a solution to that and is willing to commit three and one half to five million dollars to that process.

Part of that money would be to clean up some present debt. That would take about seven hundred and fifty thousand dollars. The rest of it would be used for inventory, and once we have adequate inventory, we are building a portfolio, for lack of a better word, in hospitals that we would expand our teams. We do not have salespeople to call on hospitals. As I said, our team is a hospital EVS administrator and an infection control specialist. These are people who know how to work with this market's professionals. When they go into a hospital you have got our administrator talking to the administrative side, talking about costs and how it would save. You have got our infection control people dealing with their infection control people on how it will greatly reduce infections in their hospitals.

There are so many layers of different people! You get them excited and they say, "Okay." Now, you have to have a meeting with the next tier up. Then you convince them and then you have to have a final meeting with someone who will okay the money. Getting all of those people together within a short period of time is next to impossible! That is why it takes so long to get into these hospitals! In other words, you can get two out of three, but someone is going to be off at some seminar or something. To try to get all three or four of those key people in the room at the same time can be very difficult. That meeting may be planned two months or three months out before everybody agrees, "Okay, we have got a date we can all be there for."

CEO CFO: *Why pay attention to PCT right now?*

Mr. Grieco: We have been dubbed a disruptive technology for hospitals. However, it does not have to be limited to hospitals. There are certainly other markets, such as assisted living facilities, schools, even companies, factories that could use this product to reduce sickness. This would be especially true for things like colds and flu that are so easily transmitted, which I will say indirectly, but certainly directly has an impact on their workforce, on their absenteeism and just the overall well-being of the company and/or hospital. To our knowledge, we are the only company that has got that system right now.