

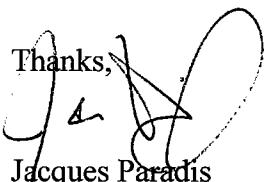


Tuesday, January 28, 2003

Object: Request for nondisclosure of information in certification application

- Shopguard (hereinafter called "SG") ask that all documents listed be withheld from the public. Our FCC application is acceptable for public viewing.
 - Part lists
 - Schematics
 - User guide
 - Block diagram
- We are applying for compliance with Part 15 of the FCC Rules.
- The FCC compliance is essential to our industry; every manufacture of EAS systems must comply with this rule. What part is important to protect is the "Know How" of our product, as we do not want our competition to reverse engineer our product.
- In today's market, there are lots of small EAS companies that are going out and either making or licensing products, competition is tight, and SG wants to stay at the leading edge of technology, that is why we employ several R&D staff.
- Disclosure of information would allow our competitors to see what we are doing, and copy it.
- Only very limited staff of SG have access to technical drawings, schematics etc. Information is kept under lock and key in the R&D team offices in Budapest and only the R&D staff, Owner, General manager, Senior service manager and myself have access to this information. No one else is authorized to view this information, so there are no leaks of information this way.
- Any information regarding our technology isn't available to the public; only limited peoples have access to it. No third parties have access to this information.
- We do not want information to be disclosed for a period of approximately 15 years, as technology will be completely different and at that time would have no commercial impact on our sales.

- It is very important for non-disclosure of the technology side not be seen to the public. We ask for non-disclosure to make ensure our company and US distributors success. We believe that our distributors will have the same success as our European distributors and that benefit will result in job creation in the US.

Thanks,

Jacques Paradis
Vice-President of Marketing