

SecuriMetrics
INCORPORATED

Advanced Biometric
Security Solutions

Statement of Greg Peterson
Chairman and CEO, SecuriMetrics, Inc.
Before The Tactical Air and Land Forces and Projection Forces Subcommittees

June 29, 2005

Good afternoon Chairman Weldon, Chairman Bartlett and Members of the Subcommittees.

My name is Greg Peterson, and I am the Chairman and CEO of SecuriMetrics, Inc. It is a privilege to have been asked to testify before the subcommittees, and I thank you for the opportunity.

SecuriMetrics, a small business founded in 1999, is located in Martinez, California. We started with a single employee and by last year at this time we had grown to a company of 17. Today, primarily as a result of several challenging development projects supported by the Congress, the Department of Defense and other U.S. Government agencies, we employ 30 highly trained software and hardware engineers and program managers.

The development and fielding of biometric technology-based security solutions is the defining characteristic of our company and our primary focus is that of supplying hardware and software to the U.S. Military and other U.S. Government agencies concerned with issues relating to counterterrorism, homeland security and border control. In addition, SecuriMetrics develops and supplies technology to State and County agencies in California, Colorado, Texas, New Jersey and Oklahoma in the areas of Law Enforcement, Corrections and Emergency Response.

Our company first came to the attention of the Department of Defense in early 2003 when we demonstrated a prototype of our **Portable Iris Enrollment and Recognition (PIER)** device (photo and details follow).



PIER 2.3 and supplied accessories
belt carrying case, PIER 2.3, AC power adapter and power cord
Size = 3 ½" x 6" x 1 ¾", Weight = 13 ounces

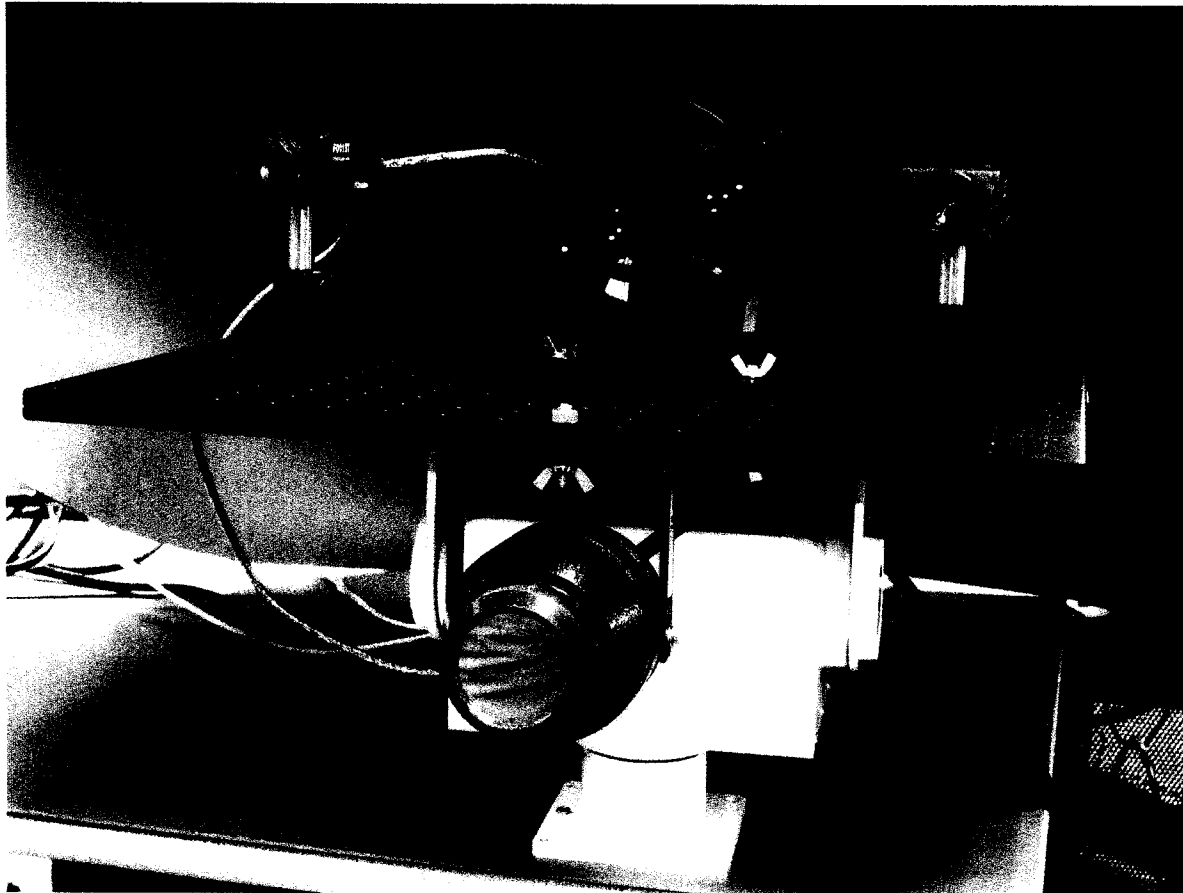
The PIER was, and still is, the only full-function, portable, hand-held iris recognition device available in the world. Interest from the Department of Defense and other agencies encouraged us to invest heavily in advancing the PIER technology. This culminated in the release of the PIER 2.3, which is currently in widespread use by our armed services in Iraq, Bosnia, Afghanistan, Pakistan, Cuba and other areas throughout the world. PIER devices are deployed independently or as constituent elements of the U.S. Army Biometric Applications Toolset (BAT) and the Rapid Equipping Forces Jump Kit.

Two years after the initial fielding of the PIER 2.3, SecuriMetrics launched a project to develop a tethered-only version of the PIER. Development of the **PIER-tethered** is proceeding under contract with the U.S. Army Battle Command Battle Lab Language Technology Office at Fort Huachuca, Arizona. Funding for this project originated from the fiscal year 2005 Department of Defense Appropriations Act. The PIER-tethered will provide iris recognition technology at a greatly reduced cost to the Armed Services. Two weeks ago we completed Phase One of this project and will complete development within 8 to 10 months.

SecuriMetrics, independently and in cooperation with government agencies, has been performing research in the area of **long distance iris recognition** for several years. The system pictured below was developed as a research platform and in initial tests it demonstrated capabilities far beyond expectations.



In conjunction with the long distance iris research described above, SecuriMetrics has also been working in the area of **automated tracking technologies**. The photo below is of an early prototype system. The tracker system can register a person entering its field of view, determine the person's head, follow (track) as the person moves and direct a camera to capture an image of the iris.



The Tracker system is a very early prototype and development is ongoing.

During the development of the original PIER, SecuriMetrics was concurrently developing the **Multi Modal Biometric Demonstration (MMBD) system** (photo below).



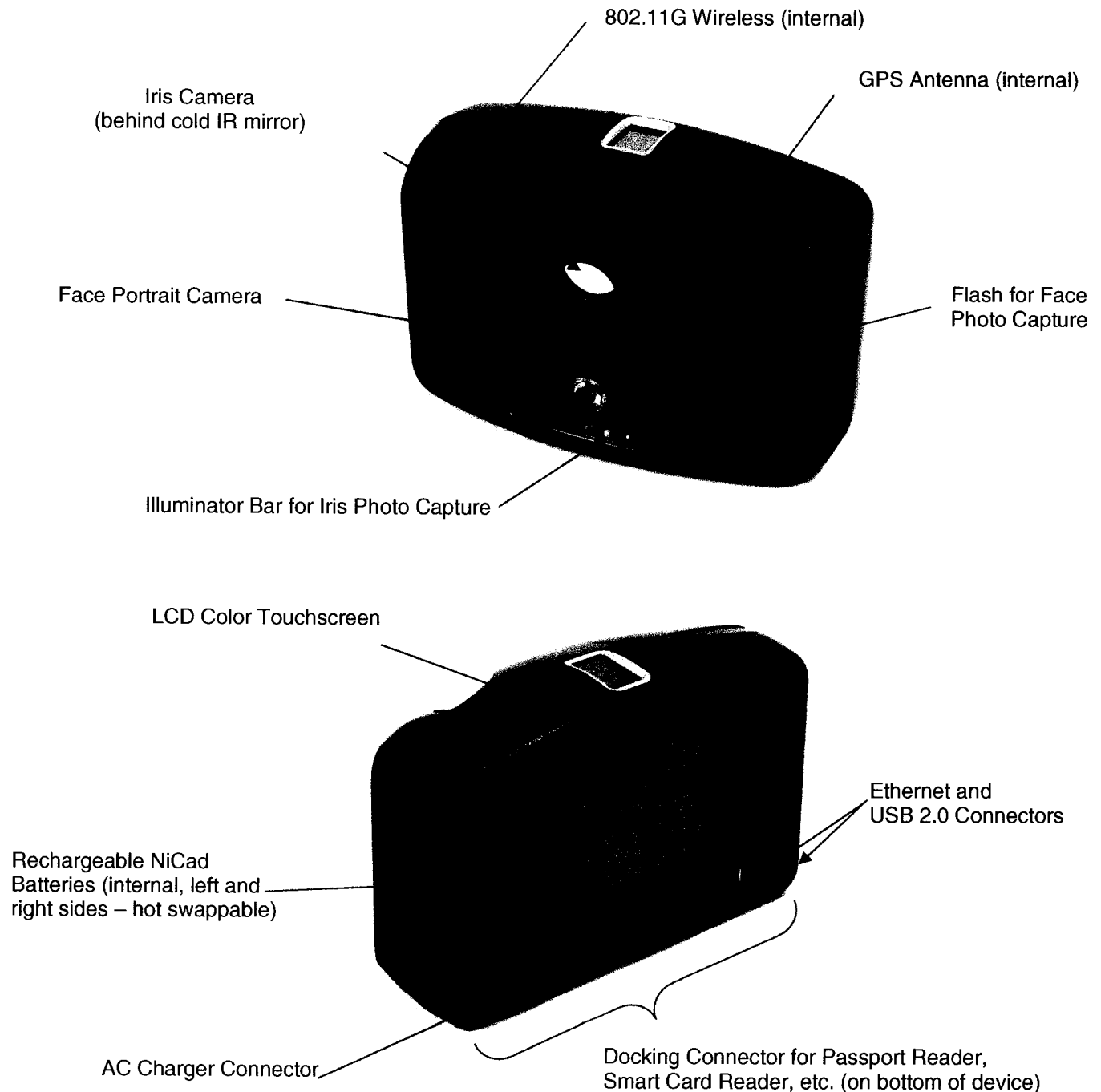
Multi-Modal Biometric Demonstration (MMBD) System

This system is a physical and logical integration of multiple image capture devices (including the PIER) for iris, face and fingerprint biometrics and a notebook computer.

The MMBD was designed for two purposes: 1) a platform to demonstrate the concept of combining multiple biometric devices into a simple and easy-to-operate system, and 2) a research and development tool for future products and systems. The MMBD enables a user to enroll biographic and other information for an individual and to associate the captured biometrics with this information. Following enrollment, an individual can be identified and the associated biographic information and portrait displayed.

The MMBD was the precursor to our newest product, the **Handheld Interagency Identity Detection Equipment (HIIDE)**, a portable, multi-modal device (photo below) combining iris, face and fingerprint biometrics and including GPS and wireless communication capability.

SecuriMetrics received Congressional support in the fiscal year 2004 Department of Defense Appropriations Act and additional support from a coalition of Department of Defense agencies. Development of the HIIDE commenced in the third quarter of 2004.



During the early phases of specifying the HIIDE requirements and throughout development process, SecuriMetrics worked closely with the U.S. Army Battle Command Battle Lab Language Technology Office at Fort Huachuca, Arizona, and a consortium of interested government agencies. As a result, the HIIDE efficiently addresses the needs of multiple government customers in a cost-effective manner.

I am very pleased to be able to show the subcommittees the very first fully operational, HIIDE prototype and with the subcommittees' permission I would like to perform a short demonstration.

<Pause for demonstration>

Thank you again Chairman Weldon, Chairman Bartlett and members of the subcommittees for this opportunity. In closing I would like to emphasize the critical importance of government support for the types of projects our company has embraced.

Small businesses constitute a major driving and innovative force for the development of technology in the United States. In the process of transitioning innovative technologies into tangible products small businesses face daunting obstacles that often prevent the best ideas and products from successfully reaching the market.

We are regularly confronted by obstacles such as gaining adequate access to government decision makers, insufficient funding (even for projects of recognized value), the general belief that small companies represent higher risks of project failure than do large companies, the distortion or loss of our message through interaction with entrenched mega-contractors and many others.

The success that SecuriMetrics has enjoyed would simply not have been possible had not Congress, the Department of Defense, and a broad coalition of government agencies supported our efforts. This is why the support of Congress is vitally important, and when this support is granted, both the government and small companies benefit.

As a result of this much-appreciated support, our troops and our country now have the benefit of a powerful technology which is actively contributing to the effort to keep our troops and our country safe and secure.

This concludes my remarks, and I look forward to your questions.

Biographic Information for Greg Peterson

Founder, CEO and Chairman of the Board of Directors of SecuriMetrics, Inc.

Mr. Peterson, age 55, has over 30 years experience in business management and development, business consulting and scientific research. He founded the Company in early 1999 as a software development company serving the Law Enforcement and Corrections industries. Early success in securing custom development contracts enabled him to invest in the development of proprietary software and to explore opportunities in the area of biometrics, specifically iris recognition – a field he had been studying for nearly a decade.

Prior to founding the Company, from 1988 through 1998, Mr. Peterson was CEO and President of The ParaVida Group, Inc. - a well known hardware and technical services company in the Denver, Colorado area. The ParaVida Group specialized in serving the private and public Law Enforcement and Corrections industry. Mr. Peterson has also held the positions of President of Fleet Feet Incorporated, a national sporting goods company with 34 operating units, General Manager and Director of Research of a leading sports medicine clinic (Sports Medicine Athletic Rehabilitation and Training Clinic) located in Cupertino, California, Consultant to Federal Express Corporation (health care cost control), and was co-owner of a consulting firm specializing in the application of scientific methods to solve business and manufacturing problems.

In addition to his business career, Mr. Peterson is the senior author of a series of scientific papers published in leading U.S. medical and scientific journals. His primary areas of research include microvascular ultrastructural analysis (EM and SEM), coronary risk factor management, in situ treatment of implantable insulin pump infection, acoustic signal analysis as a diagnostic tool for diagnosing catheter occlusion in implantable insulin pumps, the effects of exercise on platelet adhesion and fibrinolysis in Type I diabetes and the effects of anabolic steroid use on high density lipoprotein levels in world-class athletes.