

FCC; December 21st, H-Net™, 8-Channel BaseStation was submitted to the FCC and is awaiting certification. A press release will be published immediately after written notification.

C-NEST™ MARKETING

Expanding the LA Pilot - A strong focus of the Company's has been to increase the L.A. Pilot in the Santa Clarita Valley. We are pleased to report that this effort has resulted in 25 new Direct Access clients, both commercial and residential. With dozens of applicants pending we will continue the growth of this pilot to an undetermined size.

This project in and of itself is a major step in the right direction but more will be required. A second pilot site has been identified within the district municipality, utilizing the next generation of our H-Net™ technology which, is targeted for commercial release.

As Utilities up the steaks with the CPUC and rate payer for advanced metering infrastructure development programs the Company will seek out its hard earned piece of the pie.

“We are uniquely positioned to demonstrate a live working AMR turn key solution to the City of Valencia and our local Utility. Let's get them out there to see first hand our products. Let us handout our Feasibility Reports and Case Studies for their review and get to the business of doing business.

These tools offered will prove out the economics of our products and services that spell out the benefits to the rate payers. The more units we get out there the higher our visibility the stronger our position. I'm pushing for size, it will cost us but I believe it's worth every penny” said, Mr. Robert A. Spigno, our CEO. Spigno went on to say, “I would personally like to thank the residents, apartment owners and their managers, the businesses and local Fire Department for participating in this very important project and our shareholders for their support in this effort.”

Utilities nationally, and here in Southern California, are beginning to show signs that the market is heating up; because of this we are pleased to report that Company opportunities are now unfolding in parallel. In addition, it appears that funding is being offered in this arena and we will once again begin our pursuit of the opportunities that accompany such funds. Go to [Edison's 12-05-05 Press Release](#)

Some bad eggs – Most recently the Company has received multiple complaints from our vendors, and clients about shareholders. Companies are reporting that some of these callers are rude and demanding to the point of insult. This type of activity is extremely negative resulting in undue concern within our business community. We ask that this activity stop. In the past, this type of activity has cost the Company opportunities, prospects and monies. The Company is asking that

