

Edgar Filing: TSET INC - Form 8-K

TSET INC  
Form 8-K  
November 25, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

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Date of Report: November 20, 2002

TSET, INC.  
(Exact Name of Registrant as Specified in Charter)

NEVADA ----- (State or other jurisdiction of incorporation)	000-30191 ----- (Commission File Number)	87-0440410 ----- (IRS Employer Identification No.)
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464 COMMON STREET, SUITE 301, BELMONT, MASSACHUSETTS ----- (Address of principal executive offices)	02478 ----- (Zip code)
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Registrant's telephone number, including area code: (617) 993-9965  
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ITEM 7. FINANCIAL STATEMENT, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

99.1 Business presentation to Shareholders of TSET, Inc., a Nevada corporation ("TSET") at the annual shareholders meeting held on November 20, 2002.

ITEM 9. REGULATION FD DISCLOSURE

On November 20, 2002, TSET held its annual shareholders meeting. The meeting was adjourned until December 30, 2002 in Boston, Massachusetts. At the annual shareholders meeting, management of TSET made a presentation to its shareholders substantially in the form attached hereto as Exhibit 99.1. The slides from the presentation are available to view at [www.kronosati.com](http://www.kronosati.com). These

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materials include forward-looking statements, including statements regarding, among other things: (a) the growth strategies of TSET; (b) anticipated trends in TSET's industry; (c) TSET's future financing plans; and (d) TSET's ability to obtain financing and continue operations. In addition, when used in this filing, the words "believes," "anticipates," "intends," "in anticipation of," and similar words are intended to identify certain forward-looking statements. These forward-looking statements are based largely on TSET's expectations and are subject to a number of risks and uncertainties, many of which are beyond TSET's control. Actual results could differ materially from these forward-looking statements as a result of changes in trends in the economy and TSET's industry, reductions in the availability of financing and other factors. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. TSET does not undertake any obligation to publicly release the results of any revision to these forward-looking statements that may be made to reflect any future events or circumstances.

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SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TSET, INC.

Date: November 25, 2002

By: /s/ Daniel R. Dwight

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Name: Daniel R. Dwight

Its: Chief Executive Officer and President

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EXHIBIT 99.1

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LOGO (TM) KRONOS

2002 ANNUAL STOCKHOLDERS MEETING

## AGENDA

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1. 2001 - 2002 FINANCIAL RESULTS
2. Business Overview
  - o Proprietary Technology
  - o Technology Benefits
  - o Market Strategy and Opportunity
  - o Product Commercialization
3. CONCLUDING COMMENTS AND Q&A
4. TECHNOLOGY DEMONSTRATION

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LOGO KRONOS

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2001 - 2002  
FINANCIAL RESULTS

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 LOGO KRONOS

2001 - 2002 FINANCIAL RESULTS  
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2001: FOCUSED ON BUSINESS RESTRUCTURING.

2001 PORTFOLIO OF INVESTMENTS  
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- o Aperion Audio
- o Atomic Soccer 2002  
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- o Kronos Air Technologies > LOGO KRONOS  
AIR TECHNOLOGIES
- o Cancer Detection International
- o Cancer Treatment Centers

PRIORITIZE AND FOCUS MANAGEMENT AND RESOURCES ON KRONOS.

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 LOGO KRONOS

2001 - 2002 FINANCIAL RESULTS  
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2002: FOCUSED ON IMPROVING COMPANIES BALANCE SHEET.

	2001		2002		
	TOTAL	%	TOTAL	%	V
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Internal Debt:	1,470,867	57%	1,324,147	66%	(146,720)
External Partners:	34,602	1%	232,385	12%	197,783
INTERNAL & EXTERNAL PARTNERS	1,505,469	58%	1,556,532	78%	51,063
External Corporate:	1,063,336	41%	242,676	12%	(820,660)
External Kronos Air:	19,958	1%	60,403	3%	40,445

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Other - non cash	-	-	143,000	7%	143,000
EXTERNAL	1,083,294	42%	446,079	22%	(637,215)
TOTAL LIABILITIES	2,588,763	100%	2,002,611	100%	(586,152)

REDUCED TOTAL LIABILITIES BY \$586,000.

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LOGO KRONOS

### 2001 - 2002 FINANCIAL RESULTS

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2002: FOCUSED ON OBTAINING FUNDS TO FINANCE COMMERCIALIZATION AND INITIATE REVENUE GENERATION IN 2003.

- o EQUITY FUNDING:
  - >> Fusion Capital \$6 million equity line of credit
  - >> Management Private Placement
- o CUSTOMER CONTRACTS:
  - >> HOMEDICS:
    - License Agreement;
    - Development Agreement.
  - >> GOVERNMENT:
    - U.S. Navy SBIR Phase I
    - U.S. Army SBIR Phase I
    - U.S. Navy SBIR Phase II.

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SEEKING TO REDUCE RELIANCE ON EQUITY LINE.

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LOGO KRONOS

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BUSINESS OVERVIEW

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LOGO KRONOS

I. COMPANY OVERVIEW

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FOCUSED ON COMMERCIALIZATION.

- o UNIQUE TECHNOLOGY
- o PATENTED TECHNOLOGY
- o PATENTED TECHNOLOGY
- o NEGOTIATED AGREEMENTS AND CURRENT DEVELOPMENTS:
  - Standalone platform: HoMedics;
  - Embedded platform: U.S. Navy SBIR.

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BROAD SPECTRUM OF INITIAL COMMERCIALIZATION INTEREST.

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LOGO KRONOS

I

II. PROPRIETARY TECHNOLOGY

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KRONOS HAS ACHIEVED PATENTED BREAKTHROUGHS  
IN THE DEVELOPMENT OF A COST EFFECTIVE,  
CORONA TECHNOLOGY THAT EFFICIENTLY CAUSES  
SILENT AIR MOVEMENT AND PURIFICATION  
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WITHOUT FAN BLADES, ELECTRICAL MOTORS OR FILTERS.

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LOGO KRONOS

II

CORONA DISCHARGE

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EVOLUTIONARY BREAKTHROUGH IN THE MANAGEMENT OF A HIGH VOLTAGE PHENOMENON -  
CORONA DISCHARGE.

Corona Electrode

Target Electrode

Ions

(Negatively charged  
electrode attracts  
positively charged ions)

(Discharge positively  
charged ions)

Gas molecules  
(Ions hit gas molecules  
causing an "explosion")

POWER SUPPLY

(PS provides charge to  
corona electrode)

(Current returned to PS)

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LOGO KRONOS

II.1

INTELLECTUAL PROPERTY

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AGGRESSIVELY PURSUING THE PATENTING OF INTELLECTUAL PROPERTY.

- o RECEIVED FIRST PATENT FROM US PATENT AND TRADEMARK OFFICE.
- o PATENT PENDING INTERNATIONALLY.
- o ADDITIONAL PATENT FILINGS MADE WITH THE US PATENT AND TRADEMARK OFFICE.

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BUILDING A DEFENSIBLE INTELLECTUAL PROPERTY PLATFORM.

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LOGO KRONOS

II.2

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III. TECHNOLOGY BENEFITS

TECHNOLOGY PROVIDES NUMEROUS PRODUCT BENEFITS.

STEALTH  
Virtually silent

VERSATILITY  
Instant air movement

EFFICIENCY  
Up to 10x more  
energy efficient than  
a fan

PURIFICATION  
Removes a wide range  
of gases, bacteria and  
particulate matter from the air

ANTI-STATIC  
Neutralizes  
electrostatic particles

ADAPTABILITY  
scalable in any  
shape or size

DURABILITY  
No moving parts

MORE VERSATILE DEVICE THAN ANY FAN OR FILTER IN THE MARKET TODAY

LOGO KRONOS

III

PURIFICATION

SIGNIFICANT ABILITY TO REMOVE PARTICULATES FROM THE AIR.

Object Omitted

PARTICLE ELIMINATION

Particle Size (in Microns)	% REMOVED ON SINGLE PASS
0.3	99.820%
0.5	99.872%
1	99.928%
5	100.000%

SOURCE: MICROTTEST LABORATORY - AUGUST 2001

KRONOS DEVICES CAPTURE OVER 99.8% OF PARTICULATES.



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LOGO KRONOS

III.1

PURIFICATION  
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LETHAL TOWARDS A WIDE ARRAY OF CARCINOGENS IN SECOND HAND CIGARETTE SMOKE,  
BACTERIA, AND OTHER PATHOGENS.

KRONOS SUBSTANCE ELIMINATION

HAZARDOUS SUBSTANCE	% REMOVED IN SINGLE PASS
BENZENE	94.4%
AMMONIA	54.5%
STYRENE	50.0%
FORMALDEHYDE	50.0%
TOLUENE	45.0%
ACROLEIN	62.5%
ACTIVE BG (ANTHRAX)	95.0%

SOURCE: NH MATERIALS LABORATORY - AUGUST 2001  
BATTELLE NORTHWEST NATIONAL LABORATORY - JULY 1999

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KRONOS DEVICES ELIMINATE 45 - 95% OF PATHOGENS.  
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LOGO KRONOS

III.2

AIR MOVEMENT AND EFFICIENCY  
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DEVICES PROVEN TO SILENTLY MOVE AIR MORE EFFICIENTLY AT COMPETITIVE LEVELS OF  
BACKPRESSURE.

- o SOUND: No detectible sound readings
- o ELECTRICAL CONSUMPTION: More energy efficient than a fan.
- o BACKPRESSURE: Ability to move air across heating and cooling coils.

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KEY ATTRIBUTES DRIVING UNIQUE CUSTOMER INTEREST.  
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LOGO KRONOS

III.3

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LOW WATTAGE AND MINIMAL FREQUENCY INTERFERENCE RESULTS IN A SAFE AND RELIABLE PRODUCT.

- o ELECTROMAGNETIC INTERFERENCE (EMI): Passed all system safety checks on board a "live" aircraft.
- o UL SAFETY: Core electronics met UL safety standards.
- o FCC APPROVAL: Pass FCC regulation for consumer devices.

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ADDRESSED ALL SAFETY CONCERNS AND ISSUES.  
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LOGO KRONOS

III.4

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DEVICES ADAPTABLE IN SHAPE, SIZE AND CAPACITY.

- o STANDALONE DEVICE MAY BE MODIFIED:
  - lay flat (horizontal) on top of a table or flat (vertically) against a wall;
  - built into other products.
- o KRONOS HAS BUILT DEVICES THAT RANGE IN SIZE:
  - bunk fans on US Naval ships;
  - large embedded HVAC air movers on US Navy Destroyers.

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ADAPTABILITY OPENS DOOR TO A MULTITUDE OF UNIQUE APPLICATIONS.  
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LOGO KRONOS

III.5

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IV. MARKET STRATEGY AND OPPORTUNITY

STRATEGY TO EXPLOIT ITS INTELLECTUAL PROPERTY & TECHNICAL KNOW-HOW.

- o ESTABLISHING BARRIERS TO ENTRY: building DEFENSIBLE intellectual property platform and developing a LEADING market position.
- o PENETRATING MULTIPLE MARKET SEGMENTS.
- o QUICKLY INSERTING THE TECHNOLOGY INTO THE MARKETPLACE: building INTERNAL CAPABILITIES, establishing strategic ALLIANCES and LICENSING.

SEEKING TO BECOME THE STANDARD FOR AIR MOVEMENT AND PURIFICATION.

LOGO KRONOS

IV

MARKET SEGMENTATION

MARKET SEGMENTATION DRIVING SOLUTIONS DEVELOPMENT:

AIR MOVEMENT & PURIFICATION

- residential
- hospitality
- health care
- commercial

EMBEDDED COOLING & CLEANING

- electronic devices
- medical equipment

SPECIALIZED MILITARY

- naval vessels
- closed vehicles
- environmental devices

KRONOS SOLUTIONS

INDUSTRIAL SCRUBBER

- produce storage
- diesel emissions

AIR PURIFICATION FOR UNIQUE SPACES

- electronics manufacturing
- pharmaceutical cleanrooms
- cruise ships
- transportation

HAZARDOUS GAS DESTRUCTION

- incineration plants
- chemical facilities

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IV.1

AIR MOVEMENT & PURIFICATION

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INDOOR AIR POLLUTION CAUSED BY INADEQUATE VENTILATION AND CHEMICAL AND BIOLOGICAL CONTAMINANTS:

- o BIO-TERRORISM, FEAR AND NEW FEDERAL, STATE AND INDUSTRIAL STANDARDS.
- o EPA - INDOOR AIR POLLUTION 2 - 3X HIGHER THAN OUTDOOR AIR.
- o WORLD HEALTH ORGANIZATION - 30% OF BUILDINGS HAVE HIGH RATES OF "SICK BUILDING" COMPLAINTS.

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"9/11", ANTHRAX, AND SICK BUILDING SYNDROME  
ALL DRIVING MARKET OPPORTUNITY.

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LOGO KRONOS

IV.3

SPECIALIZED MILITARY APPLICATIONS

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MILITARY'S NEED TO WORK IN CONFINED SPACE COMBINED WITH POTENTIAL "ENVIRONMENTAL" HAZARDS CREATES NUMEROUS SPECIALIZED MILITARY APPLICATIONS.

- o CLEAN AIR MOVEMENT TO ELIMINATE CONTAMINATES, BACTERIA AND OTHER PATHOGENS;
- o COMBAT IMPACT OF BIOLOGICAL AND CHEMICAL WEAPONS;
- o DISPOSE OF CURRENT HEPA FILTERS - CLASSIFIED AS BIOLOGICAL WASTE;

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BIO-TERRORISM DRIVING NEW COMMERCIAL AND MILITARY APPLICATIONS.

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IV.4

AIR PURIFICATION FOR UNIQUE SPACES

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ADAPTABILITY OF TECHNOLOGY ALLOWS KRONOS TO PURSUE SEVERAL APPLICATIONS WITH  
UNIQUE SPACE REQUIREMENTS.

- o TRANSPORTATION INDUSTRY REQUIRES CLEAN AIR MOVEMENT IN AUTOMOBILE,  
CRUISE SHIP AND AIRPLANE CABINS:
  
- o GROWING DEMAND FOR CLEANROOM ENVIRONMENTS IN THE ELECTRONICS, HEALTH  
CARE AND PHARMACEUTICAL INDUSTRIES:

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SEEKING STRATEGIC PARTNERS TO DEVELOP APPLICATIONS.  
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LOGO KRONOS

IV.5

V. PRODUCT COMMERCIALIZATION  
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FOCUSED ON COMMERCIALIZATION OF CORE TECHNOLOGY.

STANDALONE PLATFORM

- o Easiest adaptability of technology;
- o Leverage product development across multiple markets;
- o Opportunity to generate near term revenue.

EMBEDDED PLATFORM

- o More sophisticated adaptability of technology;
- o Need key strategic partners to integrate Kronos technology into other  
products / systems;
- o Opportunity to generate significant long term revenue.

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DEVELOPING PLATFORMS IN PARALLEL.  
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V

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STANDALONE PLATFORM

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INITIATE COMMERCIALIZATION OF STANDALONE PRODUCTS THROUGH KEY STRATEGIC PARTNER(S).

Initial Strategic Partner: HOMEDICS USA, INC.  
Funding: HOMEDICS LICENSING AND DEVELOPMENT AGREEMENTS  
Product Development: STANDALONE ROOM AIR PURIFIER  
Market: CONSUMER RETAIL, INCLUDING INTERNET, INFOMERCIALS, AND CATALOG SALES  
Territories: NORTH AMERICA, AUSTRALIA, AND NEW ZEALAND

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PRODUCT DESIGN, PRODUCTION AND MARKETING IN-PROCESS.  
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LOGO KRONOS V.1

STANDALONE PLATFORM

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LEVERAGE HOMEDICS RELATIONSHIP, PRODUCTS AND FUNDING INTO . . .

. . . . NEW MARKETS

. . . . NEW TERRITORIES

. . . . NEW PRODUCTS

-----  
BUILD NEW OPPORTUNITIES INTERNALLY AND WITH OTHER STRATEGIC PARTNERS.  
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EMBEDDED PLATFORM

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INITIATE COMMERCIALIZATION OF EMBEDDED PRODUCTS THROUGH KEY STRATEGIC PARTNERS.

Initial Strategic Partner: U.S. NAVY.

Funding: SBIR CONTRACT

Product Development: EMBEDDED HVAC SYSTEM FOR NAVAL SHIPS

Markets: NAVAL AND PASSENGER CRUISE SHIPS

Territory: UNITED STATES

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PRODUCT DESIGN AND DEVELOPMENT IN-PROCESS.  
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LOGO KRONOS

V.3

EMBEDDED PLATFORM

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LEVERAGE MILITARY RELATIONSHIPS, PRODUCTS AND FUNDING INTO . . .

. . . . NEW MARKETS

. . . . NEW TERRITORIES

. . . . NEW PRODUCTS

-----  
BUILD NEW OPPORTUNITIES WITH OTHER STRATEGIC PARTNERS.  
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LOGO KRONOS

V.4

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CONCLUDING COMMENTS

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CONCLUDING COMMENTS

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FOCUSED ON COMMERCIALIZATION.

- o UNIQUE TECHNOLOGY
- o PATENTED TECHNOLOGY
- o MATERIAL MARKET OPPORTUNITY
- o NEGOTIATED AGREEMENTS AND CURRENT DEVELOPMENTS:
  - standalone platform: HoMedics;
  - embedded platform: U.S. Navy SBIR.

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POSITIONED BUSINESS FOR GROWTH IN 2003.

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LOGO KRONOS