

EXHIBIT 12

From: Nickolas Rhodes [nickolasrhodes@yahoo.com]

Sent: Thursday, December 04, 2008 10:09 AM

To: Jory Russell

Subject: Fw: RE: Letter

FYI. Let's work together on the cume investment numbers . . .has to be accurate and straight forward.

Nick

--- On Thu, 12/4/08, Liberatore, Joseph CIV DOD FWF <Joseph.Liberatore@fwf.dod.mil> wrote:

From: Liberatore, Joseph CIV DOD FWF <Joseph.Liberatore@fwf.dod.mil>

Subject: RE: Letter

To: "Dennis" <dennis@ncoder.net>

Cc: nickolasrhodes@yahoo.com

Date: Thursday, December 4, 2008, 8:05 AM

Dennis, Nick,

Working on getting the letter approved by contracting for release - major issue.

Under the acquisition regulations the USG can not sign a specific LOI or commit until further down the road (at the pint of RFP - the request for proposal).

1. Trepp could use it to tank the entire effort - It is against DoD rules - I and the team get fired (and we are the believers), it also then puts a black mark on Blxware (which is currelty clean).
2. Also the other agency could use it to tank the effort - they call GAO or the IG and again we are all toast. Hoenstly I do not care about being fired, but I do acre about moving the effort forward - we are too close.

I think wea are working on the details of what can be released - yes we are negotiating a contract for IP testing, consulting, and asset purchase, but funding amount and timeframe may be the killer - however you may have a RFP by next week if you and I move quickly enough with our documents. Also we will be sharing the test plan possibly as soon as today.

Also, for the sole source justification I need some figures on how much you invested over entire timeframes for the following"

Data compression - 28years? (Blxware xx Millions, Mont Trust xx Millions)

Noise filtering - 5 years (XX millions) video capture (XX Mill)

Anomaly Object Tracking - 6 year (xx millions)

Redacted - A/C - work product

This helps the legal review in that they understand time and amount of internal funds expended and value of the IP to be tested and why we are willing to expend our funds, etc.

(if you need to or feel more comfortable send via WINZIP 256).

I am still working getting something released:)

Keep the faith,
Joe

Joseph Liberatore
ISSO / OST GG-14
(301) 203-4721

-----Original Message-----

From: Dennis [mailto:dennis@encoder.net]
Sent: Wednesday, December 03, 2008 4:08 PM
To: Liberatore, Joseph CIV DOD FWF
Subject: Letter

Redacted - A/C - work product