

Exhibit A: Narrative Statement for Falcon Nano's Research

2/7/09

a. The complete program of research and experimentation proposed including description of equipment and theory of operation.

Falcon Nano is developing a proprietary wireless data communications technology which will enable:

- increased data communications speeds,
- improved noise immunity, and
- increased spectral efficiency.

The company currently has patent pending on the technology and has done computer simulations. Also, the company's "bench top proof of concept engineering prototype" has been tested with an ISM band, 27.12 MHz under the provisions of 47CFR15.227 *Operation within the band 26.96-27.28.*

The project engineer is Al Hastings and the RF engineer is Jim Horn. The two engineers originally met 20 years ago while working as project and RF engineers respectively for Motorola. Both have extensive experience in experimental electronics and RF on projects for the US Navy, US Air Force, NASA, Motorola, Sony, Toshiba, General Electric and many others. Hastings (KD7EAG) has held an FCC amateur license for 10 years and Horn (WB9SYN) for over 25.

The technology uses a combination of amplitude and phase modulation. Any wireless data communications at any transmission frequency will benefit from this technology. But for ease of prototype development and cost savings, the initial development work is being done at low frequencies. Specifically, the frequencies requested are 173-177 kHz, 1770-1780 kHz, and 6765-6795 kHz (ISM) with 10 watts of transmission power.

Because the technology relies on proprietary digital signal processing algorithms which are computation intensive, these low frequencies are easier to work with at this early stage. The technologies early stage receiver prototypes are not as sensitive as future receivers will be. Transmission power needs to be higher than provisions for unlicensed transmissions allow in 15.217 and 15.223. Hence, the Experimental Radio Service license is necessary.

Ultimately, custom designed silicon-germanium chips will enable this technology to be implemented at higher transmission speeds (VHF, UHF and SHF) and with more sensitive receivers.

Engineering development is to be done in North Las Vegas and Beatty, NV as well as San Jose, CA.

b. The specific objectives sought to be accomplished.

1. Test the technology in a "field" environment. We need to transmit a distance larger than a laboratory bench. We need to gather data on how the technology performs when transmitting through objects, subjected multipath and dealing with other real world issues.

2. Have Underwriters Laboratory (UL) test our prototype to validate the performance of our prototype. We have met with UL in San Jose, CA and they have agreed to test our prototypes' performance. This will provide third party validation of our technology which will be useful in attracting investors and customers.
3. Specific performance objectives we expect to achieve on each frequency band are as follows.

Spectral Efficiency = (Data Transmission Rate) / (20 dB bandwidth) = 20 ((bits/s)/Hz)
(See http://en.wikipedia.org/wiki/Spectral_efficiency reference. Specifically, "Link spectral efficiency.")

Transmission Distance = 5 miles

All transmissions including the UL tests will be of short durations. Normally, less than 3 seconds. There will never be more than 50 transmissions in an hour. On rare occasions, there will be transmissions that may last up to 3 minutes but there would be less than 20 of those in a day.

c. How the program of experimentation has a reasonable promise of contribution to the development, extension, expansion or utilization of the radio art, or is along line not already investigated.

Falcon Nano is a startup company founded to develop and ultimately commercialize this technology. The founder and CEO of the company, Hastings, has a proven track record of developing innovative technologies and companies. His first startup company developed an innovative computer display technology with Horn's technical assistance. A Kodak spin-off acquired the company to have access to the technology. Today the technology the company helped pioneer is commercially available in project TVs and is the standard Sony uses for all projection TV's for images over 60 inches.

Falcon Nano's patent firm has done a prior art search on the technology and has found it to be original.

It is not surprising that we have already had customers express interest in this technology. Naturally, they want to see further development which this ERS license will help enable.

The point of contact person for any information or to terminate transmission if interference occurs is:

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