



**Veracity Technology Solutions, LLC  
Investment Summary**

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| <b>Key word description of project</b>                                     | Ultrasonic Inspection technology and services  |
| <b>Overall Venture Concept</b>   | Veracity Technology Solutions was formed to commercialize technology developed by USUT Labs, Inc. of Tulsa. Veracity provides an integrated system to detect and quantify the presence of cracks and delaminations in composite material and/or corrosion within critical structures without the need to destroy or disassemble the structure.   |
| <b>Market Opportunity</b>  | <p>According to Frost &amp; Sullivan, the world nondestructive test equipment market was \$843 million in 2005 and growing to an estimated \$1.25 billion by 2012.</p> <p>The Department of Defense (directly and through major defense contractors and aerospace OEM's) represents the most immediate market opportunity for Veracity. The ability to quantify very small cracks and corrosion in critical structures such as aging aircraft systems is extremely important to all branches of the military.</p>  |
| <b>Technology, Specialized Process, or "Know-how"</b>                      | <p>Veracity's competitive advantage rests in its portable, user-friendly ultrasonic instrument that allows near-instantaneous readings of material thickness, while also providing on-board data-logging and networking capabilities.</p> <p>Veracity is among the first firms to provide simultaneous thickness measurements of multiple material layers in a test piece. Additional advances enable precise gauging of extremely thin multi-layers not previously measurable by ultrasonic instrumentation. Veracity is capable of detecting cracks as small as 1/10,000 of an inch.</p> |
| <b>Protection Program for Intellectual Property and Proprietary Rights</b> | Veracity has an exclusive, unlimited, worldwide license with USUT Labs to the technology. USUT Labs has not elected to file for patent protection due to the wide use of ultrasound for inspection. However, USUT believes that its approach and first mover advantage provides a significant barrier to entry to competitors.   |
| <b>Appropriate Manufacturing</b>   | USUT will manufacture the products under contract with Wetsco Labs in Tulsa. Wetsco is owned by Dennis Wulf, co-founder of USUT.   |
| <b>Marketing Program</b>   | Veracity will market its products and services directly to the end customer using a highly qualified direct sales force. The company will exploit existing relationships within the Department of Defense and major MRO service providers.   |
| <b>Selling Procedure</b>   | Veracity will use its superior technology as a base upon which to sell a turn-key, outsourced non-destructive test (NDT) and inspection service. Veracity will provide its own highly trained technicians to provide 24/7 NDT to its customers.  |
| <b>Team Members:</b>   | Veracity team members are recognized experts in the field of ultrasonic inspection for the medical and aerospace sectors.  |
| <b>Required Venture Resources</b>  | Veracity has received \$150,000 from the Acorn Growth Capital Fund. Veracity will also seek \$100,000 of non-recourse debt from the I2E Technology Business Finance Program. To date, USUT has secured approximately \$800,000 in government awards to develop the technology for deployment to the market.  |
| <b>Exit Strategy</b>   | Veracity seeks an exit event within 5 years. Likely exit options are sale to an existing NDT services firm such as GE Inspection Services, Olympus NDT or an OEM such as Northrop, L-3 or Boeing. A public offering is also a viable option.   |