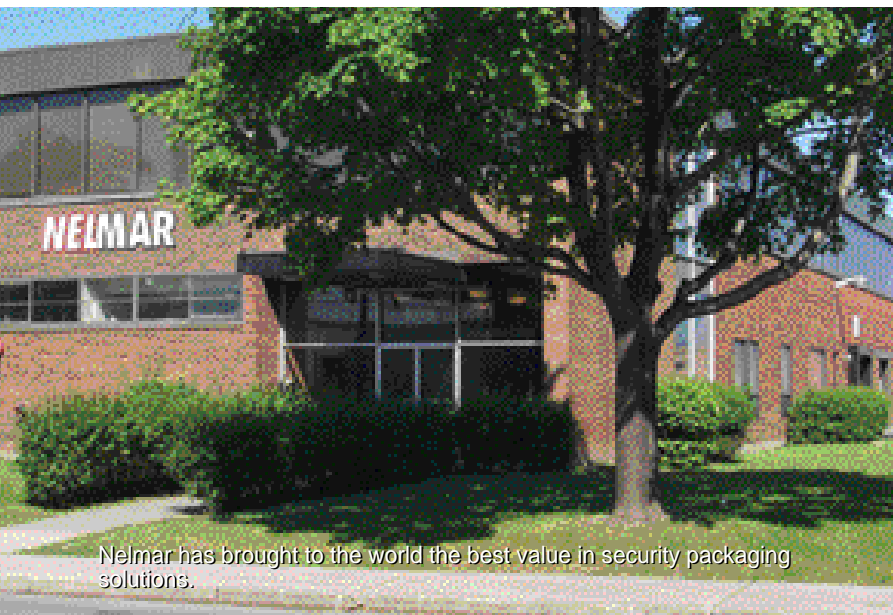


SecurityWorld INT'L



Nelmar provides security packaging systems to almost any type of business worldwide. Their clientele currently consists of banks, retailers, medical institutions, restaurant, casinos, police departments and armored car companies globally. The greatest value they provide to their clients is the ability to transport their daily cash receipts in a safe, tamper-evident package, whether they transport funds to the bank via store employee, armored car or any other third-party carrier.

Nelmar Security Packaging System, 'Mission Impossible' in Security Packaging Solution

How it All Began

Neil Freder, 43, co-founded Nelmar Security Packaging Systems Inc in 1987. After establishing Marnel, his first company, as a leader in high-end retail packaging, the concept of flexible tamper-evident packaging - to replace old-fashioned zippered canvas deposit bags - was brought to Mr. Freder's attention. Mr. Freder used his expertise to help develop this concept and create a patented, efficient and cost-effective system for the safe transfer of currency and valuables. To that end, he formed Nelmar in 1987. His new packaging system focused on eliminating fraud and theft, and quickly became an essential item in the security departments of banks, retailers, medical institutions, restaurant, casinos, police departments and armored car companies around the world. Using the latest technological innovations in manufacturing, Nelmar has brought to the world the best value in security packaging solutions with the creation of their SECUR-PAK™, EU-ROSAFE™ and FRAUDSTOPPER™ trademarked systems. Mr. Freder is also a founder of IPS (Inflatable Packaging Systems), a company devoted to

the manufacture of efficient and environment-friendly protective shipping materials.

Going Global

Nelmar's head office and 75,000 square foot production facility are located in Montreal, Canada. Their factory is equipped specifically for the manufacture of products related to security packaging. Their sales force is spread out globally and they have an extensive worldwide distribution network. They are able to ship directly to their customers' branches or to their own warehouses. Their sales professionals are committed in providing expertise, loyalty and the most efficient service in meeting demands and requirements to enhance security. They currently operate eighteen bag-making machines and four printing presses in our Montreal location. State-of-the-art hot melt extrusion and bar-coding machines (both inkjet and thermal transfer style) are integral components of our bag-making equipment. All of their machines have the same extensive and flexible capabilities, eliminating situa-

| Who's In Power |

tions where customer orders have to wait excessively long periods for the appropriate equipment to become available. Their solid infrastructure gives us more overall capacity than any other company in the entire security bag market. They currently have the capacity to produce 235 million bags each year. They currently operate on daily and nightly shifts in order to properly service our customers. Nelmar has also recently purchased a new state-of-the-art 8-color printing press. This press utilizes the latest in sleeve and gearless technology, which will greatly reduce changeover times and increase print speeds. Greater efficiency translates to greater savings for our customers.

On-going Transformation

In 1987, they created a product for the safe transfer of currency and valuables under the trademark name SECUR-PAK™, which was an immediate success and led us to further research and development in the tamper-evident packaging domain. The company instantaneously became a true leader in innovation and quality in security packaging systems. By the year 2000, they had reached a full line of tamper-evident packaging and also introduced its new 'in-line' flat FRAUDSTOPPER™ tape. The complete product line comprises of Coin Bags, Retail Deposit Bags (single pocket, vertical two pocket and horizontal two-pocket), Vault Bags, Evidence and Prisoner Property Bags, Biohazard Bags etc...

Mission-oriented Business

The company provides security packaging systems to almost any type of business worldwide. Their clientele currently consists of banks, retailers, medical institutions, restaurants, casinos, police departments and armored car companies globally. The greatest value they provide to their clients is the ability to transport their daily cash receipts in a safe, tamper-evident package, whether they transport funds to the bank via store employee, armored car or any other third-party carrier. It is important to note that there are many different styles of self-sealing bags in today's marketplace. A great many of the products you can find often appear to be tamper-evident when in fact they are not. A tamper-evident bag is a container with integrated security features designed to show clearly visible signs of any attempt to enter the bag to gain access to the valuables inside. Their goal is to provide a product that will give evidence of any attempt to enter it by any means dreamed up by even the most resourceful of thieves and fraud artists. Fraud or theft of any kind is a major issue to all retailers. When you enter a typical retail store, you will notice magnetic tags on items in the store. There are also surveillance cameras and security guards in many stores. All banks have some system in place to record the activity inside their doors. All of these precautionary measures are taken to prevent theft and are costly to implement. Theft of any kind has a direct impact on the total profitability of any institution, both

in terms of the direct loss of money through theft and in terms of the revenue that must be spent on overall prevention. The greatest challenge today is the need to develop preventative measures which are practical, effective and yet cost-efficient. It is easier, less expensive and less litigious to prevent a theft from occurring than it is to catch someone in the act of stealing and then to prosecute the accused or to terminate his or her employment. The dilemma becomes striking a balance between security and cost. There are many businesses, both large and small, that simply don't have the financial resources to institute extensive loss prevention departments or costly mechanisms to prevent theft. While there are companies that put a tremendous emphasis on loss prevention, there are also those that tend only to react — to "close the barn doors only after the horse has gone".

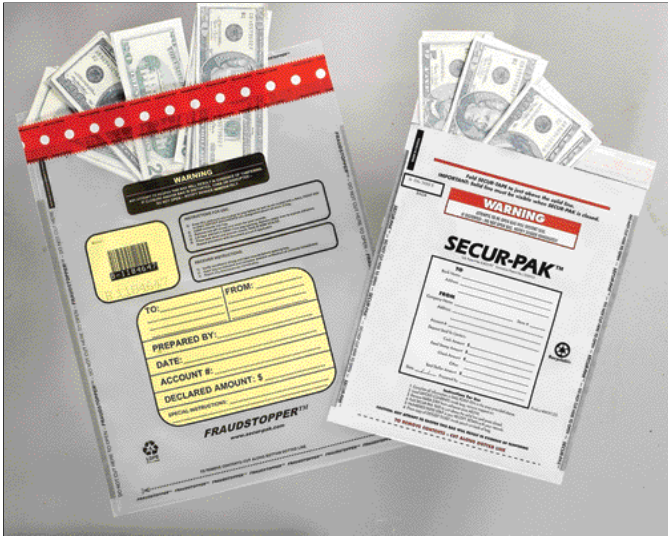
Mission in Action

An example would be that retailers stock their stores with thousands - or even millions - of dollars' worth of inventory. The sole purpose of this is to "trade" that inventory to the consumer in exchange for money. In order to ensure that that inventory isn't stolen before it can be traded, they array their stores with security people and surveillance equipment. But when they transport the actual money for deposit at the bank - which is the point of the whole exercise of being in business - they often do so in packaging that resists tampering about as well as everyday green garbage bags secured with twist-ties. It would seem to make sense that protecting the money should be as important as protecting the items used to generate the money.

Their tamper-evident security packaging systems can be used for any types of businesses where cash is involved. For examples; proper cash handling at sports venues can be a very serious issue, as most - if not all - of the revenue derived from an event's gate receipts and kiosk sales is transported by a third-party carrier. The transfer of funds does not normally take place directly between the depositor (kiosk) and the bank. Generally, the cash deposits



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from each sales location at a venue are brought to a central on-site cash vault, where they are processed before being given en masse to the armored car carrier. Tamper-evident deposit bags should be used for all stages of the transfer, since, with so many individual deposits coming from many on-site locations and carried by so many different people, the opportunity for theft is enormous. The major problem is that, if the deposit bag used is not tamper-evident, an individual carrying cash from a kiosk to the central vault can open the bag, remove some of the contents and then re-close the bag in a manner which would be undetectable. Even if the bag had been numbered and closed under camera or in the presence of another person, the possibility of the contents being switched or partially removed would still exist. Such thefts can occur anywhere - in a stairwell or a bathroom stall, for example - on the way to the central vault or to the armored truck.

The Product Range

FRAUDSTOPPER™ bags offer the most sophisticated and advanced ‘in-line’ or ‘flat folding’ high-security closure available. This security seal provides an easy-to-use self-sealing mechanism featuring many high-tech security features. Their SECUR-PAK™ product line utilizes a ‘foldover’ closure technology that has withstood the test of time. A true tamper-evident bag is designed to prevent unauthorized entry by heating, freezing or slitting the bag open. SECUR-PAK™ and FRAUDSTOPPER™ products employ embedded heat and cold-indicating VOID graphics in the closure, which give instantaneous visible evidence of attacks on the bags; these are designed to show if someone tries to open the bag using any known method. If someone does attempt to breach a bag, the closure tape will destruct in such a way that it will be impossible to replace the tape without leaving clearly visible signs of tampering. A regular adhesive self-sealing bag can be opened and closed

again in seconds using readily-available cooling sprays (such as common “Dust-Off” products). It could also be heated open. One could then remove a portion of the contents of the bag and close it back to its original state a few seconds later, which is all it takes for the effects of the cold or heat to dissipate and for the glue to regain its stickiness. Evidence of entry would be completely invisible, yet the contents of the bag would be short. Even though a bag may be numbered for tracking and documented in many other ways, it is quite difficult to prove theft if there is no physical sign of theft. All of their bags can be customized in many different ways, in all different sizes and colors that can be printed and designed to meet a client’s specifications. In addition to an almost limitless range of practical sizes, bags can be printed with custom logos in up to 8 individual colors.

Innovation Toward the Future

Nelmar, through its association with one of the more experienced companies in the field of barcode scanning, verification, RF data capture and information management systems, is more than capable to handle any and all bar-coding requirements. The barcodes that we can imprint on the bags during manufacture are used predominantly as a means of tracking the actual bag as it goes from the depositor to the bank. However, if the depositor and the bank have the appropriate networked equipment, it is possible for the depositor to scan our barcode into his computer and attach a wide range of information, such as deposit content and routing details, to it; the receiver could then receive this information through its network. Alternately, the depositor could embed this information into a bar-coded label that the depositor could print out and affix to the bag. The receiver could then scan this barcode and retrieve the information. It must be noted, though, that this label must itself possess some type of tamper-evidence in order to prevent label-switching. With an extensive amount of research and development, they are constantly ensuring that their bags are the most tamper-evident and innovative systems available on the market today. They are always bringing in new state-of-the-art bag-making and printing equipment so that we offer the best products and services. The management of the company has always placed the utmost importance on customer service. The company believes that it is the responsibility of each and every Nelmar employee to do whatever it takes to satisfy our clients’ needs. To achieve their goal of 100% customer satisfaction, we have assembled a dedicated staff, from the production floor right up to our customer service personnel. Their tamper-evident security systems offer countless benefits and advantages. They provide high security and effective business solutions for your organization at very low cost. Their ultimate mission is to utilize the latest technological innovations in manufacturing and service in order to increase efficiency and to bring to the world the best value in security packaging solutions. They are committed to protecting the money you earn and to reducing the money you spend.

“Dedicated Solely to the Manufacture of Tamper-evident Packaging for the Safe Transfer of Currency, Evidence, Valuable Documents and Coin”



At NELMAR Security Packaging Systems, we're constantly keeping up to date with world-wide technological advances so that we can quickly incorporate them into our existing products, or use them to create brand new products.

Please tell us how Nelmar Security Packaging System came to develop its product line.

The concept of creating a tamper-evident form of packaging grew out of the inefficiency of the old canvas deposit bag system. When that type of bag was the standard, armored car carriers were constantly forced to go back and forth between the depositors and the banks. Not only would they have to bring the filled bags to the bank, but they'd then have to wait at the bank counter until the non-customized bags were sorted and separated so that the empties could be brought back to the depositor. We wanted to render the old-fashioned zippered canvas bag obsolete and replace it with a much more secure and easily identifiable disposable package. To that end, NELMAR Security Packaging Systems created a tamper-evident security packaging system incorporating one-time-use disposable (and completely recyclable) bags that, in terms of size, color and print, can be designed and customized to meet any specifications. We've become a plastics packaging manufacturer dedicated solely to the manufacture of tamper-evident packaging for the safe transfer of currency, evidence, valuable documents and coin. In addition to the convenience, we also wanted to create a more secure product than what was already available in the market so that theft and fraud could be more easily prevented.

What has been the Nelmar Security Packaging System philosophy that has led it to become one of the leading companies in the industry?

Security is the main issue. Our philosophy at NELMAR Security Packaging Systems is for our products to always be 100% tamper evident and to be absolutely the most secure on the market. When we designed our

FRAUDSTOPPER™ and SECUR-PAK™ products, we didn't aim simply to prevent some or most fraudulent attempts to enter; our aim was to prevent all attempts to enter. Our greatest sales tools by far are our competitors' products. Our competitors offer products that are not truly tamper-evident, but they promote and sell them to their clients as tamper-evident. Many of these competitors aren't dedicated to security and don't really have the desire to produce a true security product. They are merely trying to increase sales volumes by manufacturing as wide a variety of products as possible under one roof. At NELMAR Security Packaging Systems, our sole focus is on producing security packaging. A non tamper-evident bag leaves a tremendous opportunity for theft. This is an especially big problem for establishments like athletic stadiums and big-box department stores, where many individual deposits from many on-site locations are prepared and then carried by many different people to a central collection point. By using a proper tamper-indicating package, fraud can be prevented; you protect the money you earn and reduce the money you spend.

What is currently the major business focus for Nelmar Security Packaging Systems?

Our major focus right now is to make use of state-of-the-art advances to supply tamper-evident security packaging to every industry that transports valuables. We make use of Radio Frequency (RF) tags, holograms and 2-dimensional barcoding in order to embed greater amounts of information in our barcodes. Our research and development department works constantly at improving our technologies so that the products we offer remain at the highest level of security. In striving to be the leading manufacturer of tamper-evident packaging, we are continuously upgrading our equipment and materials for greater efficiency. We also focus on educating the market-

place. We want people to be fully aware of how a secure tamper-evident bag can protect their companies' assets from fraud and theft and, in the process, save them thousands or even millions of dollars. We like to work very closely with our customers so that they can understand the necessary security procedures and so that we can customize our products for their specific needs.

Tell us about some of the products the company is focusing on strategically.

We have always focused on providing the highest quality tamper-evident packaging products to the valuable-transport market. That has been both a strategy and a commitment. Increasingly, though, a strategic focus has been to expand the utility of our products to other markets. We've recently introduced a biohazard bag that combines the highest degree of tamper-evidence with a leak-resistant construction that is unequaled by any other product. We provide our FRAUDSTOPPER™ biohazard bags to hospitals, leading reference laboratories and all types of medical institutions. Since 9/11, security has been the global watchword. We've teamed up with many major law enforcement agencies to develop tamper-evident products for securing crime scenes and for processing evidence and prisoner property. We are always searching out new and stronger polyethylene resins with which to produce our bags. These are just a few of the many products and plans that NELMAR Security Packaging Systems is currently offering or developing. Our innovative products and manufacturing techniques have evolved to the point where we have become a true leader in innovation and quality in the tamper-evident packaging domain. We will always be ahead of the technology curve so that we can continue to provide the most secure packaging products available worldwide.

What are some recent security solutions or technical breakthroughs that your company has contributed to the security industry?

I would have to say that a recent contribution that has had a huge impact on the industry would definitely be our FRAUDSTOPPER™ tamper-evident dual closure coin bag. We've responded to a renewed demand for disposable plastic containers by creating and producing a "dual closure" coin bag that provides twice the amount of security than that offered by any other coin bag in today's market. We combine a strip of high-strength permanent adhesive (the primary closure) with a proprietary tamper-evident tape closure (FRAUDSTOPPER™). All other coin bags on the market use only a straight adhesive closure. We're the only manufacturer to combine security with added strength in one efficient package. The security industry had a very strong need for a more secure coin bag and we were able to produce

and provide it. We provide our tamper-evident dual closure coin bags to many leading banks worldwide, armored car carriers, casinos, vending companies etc...

Please tell us about Nelmar Security Packaging Systems' current focus in regard to worldwide sales. What would you consider to be the most critical market for the company, and why?

NELMAR Security Packaging Systems maintains a network of distributors and sales representatives spanning the globe. We've been providing our security packaging systems to many leading companies globally since 1987. We are able to ship directly to our customers' branches or to their own warehouses from our distribution centers, as well as directly from our factory floor. We always have the right people in place, offering the best in customer service no matter what part of the world in which you are located.

Please give us your view of how future Security Packaging System trends will develop. What do you see as Nelmar Security Packaging Systems' role in this development?

At NELMAR Security Packaging Systems, we're constantly keeping up to date with worldwide technological advances so that we can quickly incorporate them into our existing products, or use them to create brand new products. Recent innovations and research developments that we are following closely include more sophisticated barcoding and RFID technology, both of which assist in the tracking of the shipments of valuables. We currently have the ability to produce 2-dimensional barcodes, and our thermal transfer barcoding technology is 99% first pass readable. Eventually, as technology advances, all of our customers will have the ability to punch a number into their computer systems and automatically track and trace their security package.

Last but not least: Tell us about Nelmar Security Packaging Systems' vision and about your plans for the future.

Our vision and plan for the future is that, once any user in the market place has used our tamper-evident packages, he will NEVER go back to using any lower-end bags. As armored car carriers begin to recognize the benefits that the security and strength of our bags provide, they realize that our packaging systems have prevented theft and fraud, and they gain assurance that our products will continue to do so in the future. We are constantly coming up with new and more efficient manufacturing processes that will allow us to bring cost-efficiency and value to our customers while maintaining and improving the high quality of our products.