

IS THERE LIFE AFTER FORD...

The relationship between Ford Motor Company and Dutchman, in which Ford was testing the HAFC, has been broken. Interestingly enough, we did pass the phase one testing, we just could not pass the test of being patient and waiting for their due diligence before demanding an outright endorsement from them. I guess having them testing and working on possibly having an eventual partnership was not good enough for some of our people. In violation of what we had agreed to, dealers, mechanics, and recruiters (members from all three groups) called Ford to confirm the relationship, and one mechanic even DEMANDED a report on the testing. Some of our dealers had to tell Ford how incompetent and unprofessional we are. (How unprofessional is that?) Ford was prepared for the media; it was our associates they were not ready for. And, there is no way they would ever have been prepared to have their holy grail logo put at the top of the letter that I wrote to our customers. Of course everyone at Ford was concerned about that. That abuse of their logo was the straw that broke their backs. They were willing to fight the media. Toyota sponsored a movie on how Ford stole the intermittent wiper blade that is out now and their stock is under \$4 a share. The media is telling everyone Ford credit has no money to loan people for cars when they have tons of it. Supposedly Ford is broke when they could go for more than a year with no income. The timing for another PR problem is terrible. The last thing Mulally needs now is a public scandal. They will need the Ford family now more than ever and someone just violated their holy grail which gave his internal opposition lots of ammo. Hey, guys, we tried!

What do we tell everyone happened at Ford and how do we get the credibility to go forward in a strong manner from here? We just tell them that Ford Motor Company saw the potential of our contribution to the current situation that American car manufacturers find themselves in. If someone does not find a way to make the bigger cars more efficient they will be relegated to building the little ones that they make no profit building. The opinion of Ford was that if the HAFC could even save 30% or more it could help them immeasurably in getting value back into their SUVs and Pickup trucks. The fact of the matter is that Ford did NOT pull out because of the testing. We did, in fact, pass the phase one testing. They pulled out because of the harassment. Obviously Ford saw value in the HAFC concept.

Here are the facts:

Ford reviewed our technology BEFORE they ever decided to test it.

We modified three vehicles for them as part of their original diligence and they were very gracious to answer all of our questions about Ford emissions control.

In August we got a letter from a top engineer at Ford HQ that stated his belief that the HAFC concept make good sense.

We supplied them with dozens of kits for testing and they had engineers on them For at least 6 weeks night and day 24X7 costing Ford a small fortune.

They asked for parts and covalizer several times over those 6 weeks.

We had an executive from Ford (a month later) on September 13th spend over two hours speaking to our dealer convention and answering our dealers' questions.

He spoke very positively about our project and their interests in a potential partnership between Ford and Dutchman.

Our contact told us the testing was going well several times, and even gave us a couple of hints they had told him on how we could improve our system.

They told the public they do not discuss test projects when asked about us.

Then the movie came out, the media has been telling people they are broke, and, worst of all for us, our dealer put the Ford logo on the top of a letter I wrote and made it look like a letter from them, that most likely hit a lot of their departments at once, and it all came undone.

There will be some people who do not realize that all this is an endorsement.

Those people will say the system failed, or that Ford never really was involved

There are almost a thousand dealers and associates who attended the convention They met the Ford executive and heard everything he had to say.

We do have a letter from one of their top engineers. We are on a non-disclosure agreement not to reveal who.

We did ship lots of kits and other merchandise to Ford

Toyota is building their own HHO system for the after market right now.

We may not have gotten to a partnership, but we certainly did convince one of the Top car manufacturers in the world that there is something to the HAFC!!!

But there is life for us after Ford. Where do we go from here? We go back forty yards and punt. We still have a much improved HAFC system that works and even more people who know how to work it. We are not impeded in our efforts to put out the PICC as soon as that is practical to do. Our last test showed all zeros on a five gas analyzer and the oxygen coming out of the exhaust was 3% higher than the oxygen content in the room it was running in. We will not have to wait if Ford is not in the picture. There is no reason why we will not be upgrading HAFCs still within this year! We have built our kit production up incredibly. We have learned a lot about the computer controls over the last year. We are setting up a Dutchman HAFC research facility and a dozen bays to modify

cars in. Our master training program is being updated to the latest and greatest we have to teach. We have scores of fleet sales I have been holding off on. One of the problems we have always had has been that our mechanics, who we train, cannot get product (kits) immediately upon leaving the training excited. We built kit production up so much in anticipation of the credibility of the Ford deal, that we have a lot of inventory on the shelf right now. If you want a hundred kits right now where do you want them? Want a thousand? Give me three weeks. That is good news for mechanics and dealers.

The new October Fest Master training program is dyno...mite! It has all the things we have learned in the field. We are meeting with someone who will be able to really step up the production of the Optimizers. They will have the ability of making as many as 10,000 a day! When sales exceed that number, we will have retail sales of over ten million dollars a day and there is no doubt bankers will fund our production at just about any level. We have solved the solenoid and magnet supply problems, so we are actually in great shape to make it happen... unless it does not happen and then we would have a far different problem than we have ever experienced. We do not even want to think about that possibility. With the pending fleet sales our dealers have been working on we are not too concerned about that. But, we need to get busy and do this based upon the fact that our system really works, and we are training more mechanics that “get it” every day. !

Our PICC research is netting some incredible results. The portable four cylinder “proof of concept” engine has demonstrated an obvious advantage already. Recently, we ran it in a room after testing the oxygen content (in parts per million) of the air in the room. We also have a five gas analyzer to test the pollutants in the exhaust. We measured all gas contamination levels and there was ZERO hydrocarbons!... ZERO NOX!...ZERO carbon monoxide!... and MOST amazingly, there was ZERO carbon dioxide! As if the fact that there was NO pollution with a four cylinder engine running in a closed room, is not enough, the oxygen content in the exhaust stream was 22.7%!!! In fact, we were putting more oxygen into the room than it had when we started by almost an additional 5%! You can imagine how efficient the engine was. Ford could easily regret missing out on the PICC technology. Perhaps they will come to their senses.

We are also busy lining up manufacturers now in every country of the world. We have started an Asian field and have a connection to work on the African continent already. We are going to try to set up a sales effort for Europe soon and hope to do the same in South America. We already plan for 100 manufacturers in the USA. We have half of them now. We will soon get the other half. We will try to keep all manufacturing for any region of the country exclusively within that region. I think we are well on our way. How many cars are there in the USA (300 million.) Does Dutchman guarantee a 50% increase in fuel economy? How many of those car owners want that? What is the cost to modify a car? Could at least half the people who are in that block of car owners afford it? Then who needs Ford?