

Press Release: Date: Sunday August 7, 2011**For Immediate Release:**

iQ-Telematics™, a safe telematics solutions company, with the assistance of the School of Business Administration (www.sba.oakland.edu) at Oakland University, conducted a marketing research survey regarding driver distraction issues facing us today and our proposed solution, **iQ-Gateway™**.

iQ-Gateway™ is the umbrella to a suite of proprietary solutions we developed using our proprietary research. This investigation stretched over a decade of observing drivers in their naturalistic environment. The result was a breakthrough understanding that was ahead of its time when disclosed in 2001 as a patent pending concept, but recently we began to find significant disciplinary support for our findings in independent research by other scientists.

Our conclusions are best articulated in the following definitions of Driver Distraction Root Causes :

Reflex Distraction:

Distraction caused by reflex triggered by sensory stimuli and is not controllable by the driver.

Impulse Distraction:

Distraction caused by *emotional thoughts* or triggered by an *Instinctive Response* to a Reflex Distraction and maybe controllable by the driver.

Life Style Distraction:

Willing and systematic performance of activities creating dangerous risks (*Known AND / OR Likely to cause Distraction that leads to Near Miss, Accidents and Death*). This is triggered due to poor education at first, but then, the behavior is perpetuated by several *Instinctive Responses*. This type of distraction creates unnecessary *Work Load* and is controllable by the driver.

One part of our suite of solutions and intellectual property portfolio is the **DrivingSystem™**, which integrates Man, Machine and Environment while incorporating History and Regulation to provide government, management, insurance companies and parents, an unprecedented ability to install driving etiquette and assure that conditions causing driver distractions do not occur.

The integrated **DrivingSystem™** is a move to preempt a multitude of risks. It will reconfigure the bond between car, phone and driver and align it with the driver's skill level. For example, a teen driver with a Smartphone and a Corvette® will find that he can only call his mother, father, truancy officer and 911; and his speedy Corvette® will perform like a Chevette®.

The above is achieved with guaranteed Eyes on The Road and guaranteed Hands on The Wheel technology.

The survey focused on the states in the U.S. where laws mandate Hands-Free use of phones and telematics devices (*California, Connecticut, Delaware, Maryland, New Jersey, New York, Oregon, Washington and Washington D.C.*). In addition, the Province of Ontario, Canada was also added to these states because Canadian Provinces mandate Hands-Free use of telematics devices. The purpose was to measure:

- I. User awareness and compliance with the Hands-Free laws.
- II. General attitude towards the problem and their calling habits as it relates to the problem; Hands-Free users vs. Hand-Held users.
- III. General description of their calling habits.
- IV. Opinions about new Smart Hands-Free System, Smart Features Opinions.
- V. Opinions about the role of insurance companies in rewarding safety systems that reduce distraction risks.
- VI. Opinions about new Smart Hands-Free System and mandating availability of such systems on new vehicles.
- VII. Option about mandating availability of such a system in newer cars and high risk driving or drivers.
- VIII. Opinion to allow Parents / Fleet Managers / Regulatory Agencies the ability to program-in adjusted driving constraints based on skill and risk to control communication, driving and vehicle.
- IX. Purchase decision regarding **iQ-Gateway™**.
- X. Teen Drivers and purchase decision for aftermarket, **iQ-Gateway™**.

Below are the summarized findings. Please contact us for more details.

Summary: Consumers from the selected states and province were asked to participate in the internet survey. Multiple choice questions were used, but we also allowed for the elaboration of the “other” category where the participant could specify a more detailed answer. In addition, we offered the choice of a “Neutral” category and a “Not sure” option to eliminate any pressure on the respondent’s feedback. Where applicable, stats reflecting the answers (with and without the “Neutral” category), percentage are provided. The stats will be presented as Excluding Neutral / Including Neutral (e.g. 90% / 85%).

I. User awareness and compliance with the Hands-Free laws.

- a. 73% Showed awareness of laws governing the use of cellphone
- b. 67% Never use the communication devices while driving
(Good News for Secretary LaHood and NHTSA – FMCSA efforts and the rest of us)
- c. 65% Use Hands-Free device. (35% Hand-Held)
(Very different from surveys we conducted in 2010 where Hand-Held uses were in the 80 percentile)
 - 1. International replies suggest that 59% use Hand-Held to make calls and answer calls.
 - 2. U.S. and Canadian replies suggest that about 87% use Hand-Held to make calls and about 88% use Hand-Held to answer calls.
- d. Ranking Known Distraction by danger
 - 1. 77% 1st- Texting
 - 2. 59% 2nd- Talking on the phone
 - 3. 59% 3rd- GPS
 - 4. 52% 4th- Eating / Drinking

II. General attitude towards the problem and their calling habits as it relates to the problem; Hands-Free users vs. Hand-Held users.

- a. Overall concern about driver distraction
 - 1. 58% Very concerned
 - 2. 31% Somewhat concerned
 - 3. 6.5% Neither concerned nor unconcerned
 - 4. 2% Somewhat unconcerned
 - 5. 2.5% Very unconcerned

b. Hand-Free users

1. 53% Hand-Free users feel safer using Hand-Free devices
2. Hand-Free users still texted, read e-mail and browsed the web on their hand-held
 - a. 21% Read e-mail
 - b. 16% Browsed the web
 - c. 9.4% Texted
3. 33% Purchased the device purposefully
 - a. 12% Safety - Purchased
 - b. 11% Laws - Purchased
 - c. 9.8% Easier to use – Purchased
4. 67% Came to have it for multiple reasons
5. 83% Use aftermarket devices Hand-Free users still took their Eyes Off The Road at least occasionally
 - a. 70% When Dialing / Answering the phone
 - b. 65% When Talking
 - c. 65 % When using GPS

c. Hand-Held users

1. 42% Feel safe using Hand-Held phone
2. 67% Feel guilty for using Hand-Held
3. 90% Talked on phone in Hand-Held manner
4. 87% Dialed and Answered phone in Hand-Held manner
5. 39% Still texted in Hand-Held manner
6. 25% Read e-mails in Hand-Held manner
7. 17% Browsed Internet in Hand-Held manner
8. 70% Used GPS while driving

III. General description of their calling habits.

- a. Callers described their phone calls as
 1. 46% Family activities
 2. 26% Friends
 3. 22% Work-related
 4. 7% Other

While this may seem counter intuitive (Business calls are not a majority), these results follow the same trend as 2010 surveys showed a similar ranking and distribution. *

1. 56% Family activities
2. 36% Friends
3. 30% Work-related

* 2010 survey allowed multiple selections while 2011 survey did not

IV. Opinions about new Smart Hands-Free System, Smart Features.

The survey presented 11 features and phenomenon and many of them had multiple sub features which are designed to alleviate different distraction issues. So they may be presented here multiple times.

The stats are presented as Excluding Neutral / Including Neutral (e.g. 90% / 85%).

1. Reflex Distraction Prevention Features

- a. 53% recall experiencing what we define as a Reflex Distractions
- b. 79% / 61% agree that the proposed Feature A is desirable
- c. 57% / 40 % agree that the proposed Feature B is desirable
- d. 85% / 68% agree that the proposed Feature C is desirable

2. Impulse Distraction Prevention Features

- a. 81% / 64% agree that the proposed Feature A is desirable
- b. 85% / 69% agree that the proposed Feature B is desirable
- c. 57% / 40 % agree that the proposed Feature C is desirable
- d. 85% / 68% agree that the proposed Feature D is desirable
- e. 93% / 78% agree that the proposed Feature E is desirable

3. Life Style Distraction Prevention Features

- a. 81% / 64% agree that the proposed Feature A is desirable
- b. 85% / 69% agree that the proposed Feature B is desirable
- c. 57% / 40% agree that the proposed Feature C is desirable
- d. 85% / 68% agree that the proposed Feature D is desirable
- e. 57% / 40% agree that the proposed Feature E is desirable
- f. 84% / 60% agree that the proposed Feature F is desirable
- g. 79% / 61% agree that the proposed Feature G is desirable
- h. 94% / 77% agree that the proposed Feature H is desirable
- i. 94% / 77% agree that the proposed Feature I is desirable
- j. 70% / 42% agree that the proposed Feature J is desirable

V. Opinions about the role of insurance companies in rewarding safety systems that reduce distraction risks.

- a. 71% agree that insurance companies should motivate consumers with discount for using such system.

VI. Opinions about new Smart Hands-Free System and mandating availability of such systems on new vehicles.

- a. 87% agree that this system must be made available on new vehicles with 56% stating it should be standard equipment and the 31% stating that it should be an option. 13% did not think it should be made available.

VII. Option about mandating availability of such a system in newer cars and high risk driving or drivers.

- a. 74% believe that this system must be made mandatory for all risky drivers and risky driving, such as teen drivers, long haul trucking, HAZMAT transport with 21% neither agree or disagree and 5% disagreeing.

VIII. Opinion to allow Parents / Fleet Managers / Regulatory Agencies the ability to program-in adjusted driving constraints based on skill and risk to control communication, driving and vehicle.

- a. 84% / 60% believe that such system is desirable with 16% / 11.5% stating that it is undesirable.

IX. Purchase decision regarding iQ-Gateway™.

- a. 39% expressed interest in purchasing the device with 36% selecting "I Don't Know" and 25% stating no.

Previous surveys where the device was demonstrated live in front of the interviewee, who were also allowed to handle the steering wheel gave different spread of results. But another web survey that was conducted in 2010, in the U.S. and internationally, showed similar spread to this survey. See table below.

Year L / W	Will Purchase	Don't Know	No
2004	88%	2%	10%
2008	85%	5%	10%
2010	21%	36%	43%

We attribute the difference to the need to balance the survey length with contents and to the device intelligences that is not conveyable in brief descriptions, but can be easily seen in few seconds during the demonstration.

- b. 61% of the participants said they would purchase the device for their use.
- c. 34% of the participants said they would purchase the device for their spouse.
- d. 15% of the participants said they would purchase the device for their employees.

The survey did not ask for the participants' marital status or if they run a business with employees, so we cannot make any assumptions about these numbers.

X. Teen Drivers and purchase decision for aftermarket, iQ-Gateway™.

The survey asked if teen drivers were present in the household and the results showed a close relationship between the presence of teen drivers, over all concern for driver distraction issues and the willingness to purchase the device.

- a. 23% of the participants said they would purchase the device for their dependents.



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