

SENTEX SENSING TECHNOLOGY INC
Form DEF 14C
September 22, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
SCHEDULE 14C
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934**

Check the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement
☐ Confidential, for use of the Commission Only (as permitted by Rule 14c-5(d)(2))

SENTEX SENSING TECHNOLOGY, INC.
(Name of Registrant As Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- ☐ No fee required
☒ Fee computed on table below per Exchange Act Rules 14c-5(g) and 240.0-11.

(1) Title of each class of securities to which transaction applies:
Common Shares (No Par Value) of Sentex Sensing Technology, Inc.

(2) Aggregate number of securities to which the transaction applies:
96,235,089 common shares

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act §240.0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
\$0.05 per share

(4) Proposed maximum aggregate value of transaction:
\$4,811,754.45

(5) Total fee paid:
\$514.86

☒ Fee paid previously with preliminary materials
☐ Check box if any part of the fee is offset as provided by Exchange Act Rule §240.0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4)

Date Filed:

1

INFORMATION STATEMENT PURSUANT TO SECTION 14
OF THE SECURITIES EXCHANGE ACT OF 1934
AND REGULATION 14C AND SCHEDULE 14C THEREUNDER

SENTEX SENSING TECHNOLOGY, INC.

1801 East 9th Street
Cleveland, Ohio 44114

Cleveland, Ohio
August 31, 2006

This information statement has been mailed on or about September 6, 2006, to the shareholders of record on August 31, 2006 (the "Record Date") of Sentex Sensing Technology, Inc., a New Jersey corporation (the "Company" or "Sentex") in connection with certain actions approved by the written consent of the majority shareholders of the Company, dated as of July 24, 2006. The actions approved pursuant to the written consent are expected to be taken on or about September 26, 2006, 20 days after the mailing of this information statement.

THIS IS NOT A NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS AND NO SHAREHOLDER MEETING WILL BE HELD TO CONSIDER ANY MATTER WHICH WILL BE DESCRIBED HEREIN. WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE NOT REQUESTED TO SEND US A PROXY. THE ACTIONS DESCRIBED HEREIN HAVE ALREADY BEEN APPROVED BY WRITTEN CONSENT OF HOLDERS OF A MAJORITY OF THE OUTSTANDING COMMON SHARES. A VOTE OF THE REMAINING SHAREHOLDERS IS NOT NECESSARY.

SUMMARY TERM SHEET

Below, in bullet point format, are the most material terms of the proposed transactions. Capitalized terms are defined elsewhere in this Information Statement.

- Sentex and SecITV entered into a distribution agreement under which Sentex will obtain the exclusive rights to market SecITV products using its technology for a fifty-year term.
- In exchange for distribution rights, and under a share issuance and corporate governance agreement, 69,082,924 Sentex common shares will be issued, at the direction of SecITV to 1stMF (the majority shareholder of SecITV) and 27,000,000 Sentex common shares will be issued to two financial advisors that assisted with the transaction and will provide other services. Mr. Rubinstein, directly and indirectly, beneficially owns 100% of the capital stock of SecITV.

- 1stMF will have demand registration rights with respect to up to 100,000,000 Sentex common shares that it receives, and piggyback registration rights with respect to its Sentex common shares.
 - The financial advisors have committed to raise additional funding for Sentex on a best-efforts basis, and of this additional funding, one option is for approximately \$60,000 to be raised through the sale of 1,000,000 Sentex common shares held by Mr. Kendall, who would provide the funds for use by Sentex in exchange for consideration to be agreed upon.
- Within 180 days of the closing of the share issuances to 1stMF and the financial advisors, Mr. Kendall will also have the right to sell 40,000,000 of the Sentex common shares beneficially owned by him, either to Mr. Rubinstein or to other investors, for a purchase price of \$0.05 per share, or an aggregate of \$2,000,000. If such shares are sold to Mr. Rubinstein or entities affiliated with him, Mr. Rubinstein would then beneficially own approximately 52% of the issued and outstanding shares of Sentex.
- Alternatively, Mr. Kendall may decide to retain the 40,000,000 shares for an additional 18 months and instead sell them at a price of \$0.08 per share, for an aggregate purchase price of \$3,200,000, at such later date.
- Mr. Kendall will also contribute \$4,000,000 of the debt owed to him by Sentex, which debt will be sold to investors as arranged by SecITV for proceeds to be used by Sentex as working capital. These sales are expected to be private sales. After Mr. Kendall's 40,000,000 shares have been sold as discussed above, two-thirds of the remaining \$3,500,000 of Sentex debt held by Mr. Kendall will be assigned and transferred on a monthly basis over a three-year period to Mr. Rubinstein and the financial advisors on a prorata basis.
- Following the closing, Mr. Rubinstein and Mr. Kendall will enter into employment agreements pursuant to which Mr. Rubinstein will be the president and Mr. Kendall will be the Treasurer and Chairman of the Board of Sentex, and the parties agree to elect Messrs. Rubinstein and Kendall as its sole directors.
- Pursuant to the employment agreement, Mr. Kendall will serve as the Chairman of the Board until the earlier to occur of his death, permanent disability or the completion of two years from the execution of the employment agreement.
- Upon the sale of Mr. Kendall's 40,000,000 shares, Mr. Rubinstein will become Sentex's Chief Executive Officer.

PARTIES TO THE TRANSACTIONS

SENTEX SENSING TECHNOLOGY, INC., A NEW JERSEY CORPORATION. Sentex's (www.sentextech.com) executive offices are located at 1801 East 9th Street, Suite 1510, Cleveland, Ohio 44114, and the phone number is (216) 687-0289. Sentex is a corporation duly organized in 1980 in the state of New Jersey. It originally designed, manufactured and marketed sensor technology equipment, and subsequently computer equipment. It has had no significant operations since July of 2001.

SECURITY IT VISION, INC., AN OREGON CORPORATION (“SecITV”). SecITV’s (www.secitv.com) executive offices are located at 1380 Lead Hill Blvd., Suite 106, Roseville, California 95661, and its phone number is (916) 774-1736. SecITV is the head company of Astro Datensysteme AG (“Astro”) (www.astro.de) which is a major International accredited Biometrics technology provider. Astro was the first company in the market which brought biometrics security to a commercial success. SECITV has partners and clients on the Fortune 100 listing.

BALMORAL FINANCIAL SERVICES COMPANIES, AN OHIO CORPORATION (“Balmoral”). Balmoral’s executive offices are located at 7118 Dublin Road, Dublin, Ohio 43017, and its phone number is (614) 792-8456. Balmoral (www.balmoralfinancial.com) is a niche financial services company which has been in operation since 1986. Balmoral provides private entrepreneurs and public companies M & A, Bank Guarantees, Documentary Credit, International Promissory Notes, and PIPE financing. Balmoral works in 20 countries with five satellite offices with financial institutions in Emerging Markets like Eastern Europe and the Former Soviet Union (FSU), and places these transactions with American companies.

VIEWPOINT TECHNOLOGY, INC., AN OHIO CORPORATION (“Viewpoint”). Viewpoint’s (www.balmoralfinancial.com/viewpoint) executive offices are located at 7118 Dublin Road, Dublin, Ohio 43017, and its phone number is (614)792-8456. ViewPoint is an Ohio corporation incorporated in 1998. It originally was owned by European and American investors for IT, laser, communications and other emerging technology investing. It looks for seed-stage and early-stage technology ventures. Viewpoint invests in extraordinary entrepreneurs who have the ability to build great teams and great companies. ViewPoint deals with both public and private deals and has Holland and Czech Republic selling groups.

TERMS OF THE TRANSACTIONS

On July 19, 2006, Sentex and SecITV, entered into an exclusive distribution agreement (the “Distribution Agreement”) with SecITV, a biometrics technology provider. A copy of the Distribution Agreement is attached hereto as Exhibit A.

The Distribution Agreement gives Sentex, effective as of the Closing (as defined below), the exclusive world-wide rights over the fifty-year term of the Distribution Agreement to market SecITV technology to end users in the biometric and security product arena based on Fingerprint Identification, Face Recognition and Voice Recognition technology. SecITV will receive a fee from Sentex equal to 5% of the net manufacturing cost to Sentex if any products using SecITV’s technology are manufactured by Sentex. If Sentex purchases the products from SecITV, then Sentex may resell the products to its customers at any price it determines. The exclusive distribution rights were granted in exchange for 69,082,924 Sentex common shares issued, at the direction of SecITV, to 1stMF, the majority shareholder of SecITV, and 27,000,000 Sentex common shares issued to the Financial Advisors (as defined below) and other terms and conditions set forth in a share issuance and corporate governance agreement (the “SICG Agreement”) entered into on July 19, 2006 among Sentex, SecITV, Henrik Rubinstein (who directly and indirectly beneficially owns 100% of the capital stock of SecITV), Robert Kendall (the President of Sentex and significant beneficial owner of Sentex common shares), Balmoral, and Viewpoint (together with Balmoral, the “Financial Advisors”). A copy of the SICG Agreement is attached hereto as Exhibit B.

Pursuant to the SICG Agreement, at the Closing, Sentex will issue the 69,082,924 Sentex common shares, at the direction of SecITV to 1st Management Finance, Inc., a 90% shareholder of SecITV wholly owned by Mr. Rubinstein ("1stMF"). Mr. Rubinstein owns directly the other 10% of the capital stock of SecITV. Such shares will represent approximately 35% of the issued and outstanding shares of Sentex (taking into account the issuance of shares to the Financial Advisors described below), based on the number of shares outstanding on the date hereof. 1stMF will have demand registration rights with respect to up to 100,000,000 Sentex common shares that it may own from time to time, and piggyback registration rights with respect to its Sentex common shares, as well as any Sentex common shares issued to other SecITV affiliates under the SICG Agreement, in any registration statement that Sentex files, in each case, for specified periods after the Closing.

The SICG Agreement also provides for additional financing and management arrangements for Sentex involving Mr. Kendall, Mr. Rubinstein and the Financial Advisors. At the Closing, Sentex will issue 15,000,000 common shares to Balmoral and 12,000,000 common shares to Viewpoint in exchange for services by the Financial Advisors to SecITV and Sentex which have already been provided and for which such shares have vested. The Financial Advisors will then hold approximately 14% of the issued and outstanding shares of Sentex (taking into account the issuance of shares to 1stMF described above), based on the number of shares outstanding on the date hereof. In addition, the Financial Advisors have committed to raise additional funding for Sentex on a best-efforts basis. Of this additional funding, approximately \$60,000 is to be raised through the sale of 1,000,000 Sentex common shares held by Mr. Kendall, who would provide the funds for use by Sentex in exchange for consideration to be agreed upon, subject to the approval of Mr. Kendall's bank, which holds the shares as collateral. The Financial Advisors did not provide any reports, opinions or appraisals in connection with the transactions contemplated by the Distribution Agreement and the SICG Agreement.

Within 180 days of the Closing, Mr. Kendall will also have the right to sell 40,000,000 of the Sentex common shares beneficially owned by him (which includes the 1,000,000 shares discussed above), also subject to his bank's approval, either to Mr. Rubinstein or to other investors, as arranged by Mr. Rubinstein through a private transaction or a registered resale arrangement, for a purchase price of \$0.05 per share, or an aggregate of \$2,000,000. If such shares are sold to Mr. Rubinstein or entities affiliated with him, Mr. Rubinstein would then beneficially own approximately 52% of the issued and outstanding shares of Sentex (based on the number of shares outstanding on the date hereof and assuming the issuance of the shares to the Financial Advisors and an additional 1,000,000 shares are issued to Mr. Kendall). Alternatively, Mr. Kendall may in his sole discretion decide to retain the 40,000,000 shares for an additional 18 months and instead sell them at a price of \$0.08 per share, for an aggregate purchase price of \$3,200,000, at such later date. Mr. Kendall will retain his ownership of approximately 8,000,000 additional shares.

Mr. Kendall will also contribute \$4,000,000 of the debt owed to him by Sentex, which debt will be sold to investors as arranged by SecITV for proceeds to be used by Sentex as working capital. The sale of the debt is expected to be to private interests. After Mr. Kendall's 40,000,000 shares have been sold as discussed above, two-thirds of the remaining \$3,500,000 of Sentex debt held by Mr. Kendall will be distributed on a monthly basis over a three-year period to Mr. Rubinstein and the Financial Advisors, on a prorate basis.

Under the SICG Agreement, following the Closing, Mr. Rubinstein will be the President and Mr. Kendall will be the Chairman of the board and Treasurer of Sentex. The parties agree to elect Messrs. Rubinstein and Kendall as its sole directors following the Closing, with Mr. O'Leary resigning as a Director upon the election of Mr. Rubinstein. Mr. Rubinstein will enter into an employment agreement with Sentex following the Closing pursuant to which he will serve as the President. Additionally, Mr. Kendall will enter into an employment agreement with Sentex (the "Employment Agreement") pursuant to which he will serve as the Treasurer and Chairman of the board until the earlier to occur of his death, permanent disability, conviction of a crime resulting in at least one year of incarceration or the completion of two years from the execution of the Employment Agreement. Therefore, if not terminated earlier, Mr. Kendall will retire from Sentex not later than the end of the second fiscal year following the Closing. Mr. Kendall's annual base salary is still subject to negotiation. The Employment Agreement will also provide for one-year non-compete and confidentiality obligations. Upon the sale of Mr. Kendall's 40,000,000 shares, Mr. Rubinstein will become Sentex's chief executive officer.

The Sentex common shares to be issued to 1stMF and the Financial Advisors are expected to be placed into escrow as soon as practicable and released at the Closing. The closing of the transactions contemplated by the Distribution Agreement and the SICG Agreement (the "Closing") will occur following receipt by the parties of all necessary approvals and submission of all required governmental filings, including the filing of this definitive information statement with the Securities and Exchange Commission ("SEC"). The transactions contemplated by the Distribution Agreement and the SICG Agreement have been approved by the parties' Boards of Directors and by a majority of the Sentex shareholders in an action by written consent.

REASONS FOR THE TRANSACTIONS

Sentex's Board of Directors considered various factors in approving the transactions, including:

- the revenue prospects represented by the distribution rights to SecITV technology

- the background of Mr. Rubinstein and SecITV
- improved prospects of growth in an emerging market
- the need for an influx of working capital
- increased visibility in the financial community
- enhanced access to capital markets

MATERIAL DIFFERENCES IN THE RIGHTS OF SHAREHOLDERS AS A RESULT OF THE TRANSACTION

The contemplated transactions will result in the issuance of an additional 96,235,089 common shares, which is nearly equal to the current issued and outstanding common shares. This issuance will initially result in a dilution of value on a per share basis of nearly 50%.

PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

There were no contacts, transactions, negotiations or agreements between Sentex and SecITV prior to being introduced for the purpose of discussing the proposed transactions. Sentex and SecITV were introduced by the Financial Advisors in April of 2006. Since then, Sentex and SecITV have explored the possibilities of entering into a mutually beneficial arrangement, resulting in the contemplated transaction.

OUTSTANDING SHARES; VOTES PER SHARE; VOTE REQUIRED TO APPROVE THE TRANSACTIONS

The Company currently has 103,764,911 common shares issued and outstanding, each of which is entitled to one vote per share. The contemplated transaction has been approved by written consent of the required holders of a majority of the issued and outstanding common shares as of July 24, 2006.

DISSENTER'S RIGHTS OF APPRAISAL

The shareholders have no dissenter's rights of appraisal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following sets forth certain information regarding the beneficial ownership of the Common Shares as of August 22, 2006 by each person who is known by the Company to own beneficially more than 5% of the outstanding Common Shares. Except as otherwise described in the notes below, the following beneficial owners have sole voting power and sole investment power with respect to all Common Shares set forth opposite their names.

<u>NAME AND ADDRESS OF BENEFICIAL OWNER</u>		<u>AMOUNT OF BENEFICIAL OWNER</u>		<u>PERCENTAGE</u>
CPS Capital, Limited(1),(2) 1801 East Ninth Street Cleveland, Ohio 44114		47,719,814		45.99%

(1) Mr. Kendall and his wife own 100% of the outstanding membership interests in CPS Capital, Ltd. See table below for beneficial ownership of Mr. Kendall.

(2) CPS has sole voting and dispositive power with respect to 47,719,814 common shares. Mr. Kendall and his wife also are deemed to have sole voting and investment power over such shares.

The following sets forth certain information regarding the beneficial ownership of the Common Shares as of August 10, 2006 by: (a) the Company's Directors; and (b) the Company's executive officers; and (c) the Company's executive officers and Directors as a group. Except as otherwise described in the notes below, the following beneficial owners have sole voting power and sole investment power with respect to all Common Shares set forth opposite their names.

<u>NAME AND ADDRESS OF BENEFICIAL OWNER (1)</u>		<u>AMOUNT OF BENEFICIAL OWNER</u>		<u>PERCENTAGE</u>
Robert S. Kendall (2),(3)		48,019,814		46.28%
James S. O'Leary		--		--
William R. Sprow		--		--
All Directors and Officers (as a group)		48,717,314		46.95%

(1) The name and address of each individual is listed in the table, except where otherwise indicated, is c/o Sentex Sensing Technology, Inc., 1801 East Ninth Street, Cleveland, Ohio 44114.

(2) Except for 300,000 common shares directly owned by Mr. Kendall, all shares owned beneficially by Mr. Kendall are held of record by CPS Capital, Ltd. or are beneficially owned by CPS Capital, Ltd. Mr. Kendall and his wife own 100% of the outstanding membership interests in CPS Capital, Ltd.

(3) CPS has sole voting and dispositive power with respect to 47,719,814 common shares. Mr. Kendall and his wife also are deemed to have sole voting and investment power over such shares and the shares held directly by Mr. Kendall.

CHANGE IN CONTROL

A change of control may occur pursuant to the transaction contemplated by the SICG Agreement, as more particularly described above under “Terms of the Transactions.”

DIRECTORS AND EXECUTIVE OFFICERS

There are no material legal proceedings to which any director or executive officer (or individual proposed for election as a Director) of Sentex is a party adverse to Sentex or has a material interest adverse to Sentex.

The Directors and Executive Officers of the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position/Proposed Position</u>
Robert S. Kendall	67	Chairman, Current President and Treasurer
James S. O’Leary	68	Director
William R. Sprow	67	Controller
Henrik Rubinstein	47	Nominee for Director and contemplated President

ROBERT S. KENDALL has been the Chairman, President and Treasurer of the Company since March 1, 1996. He shall maintain his position as a duly elected director of the Company until such time as his successor is duly qualified and elected. He is also President and Chairman of CPS Capital, Limited, an investment company based in Cleveland. Until April 1996, he was also Chairman of the Board and founder of LDI Corporation, an asset leasing and technology services company which he, along with two others, founded in 1972. LDI was one of the largest independent lessors of technology and computer equipment in the United States. Mr. Kendall is also a general partner in NCP, Ltd., a real estate partnership actively engaged in investing, acquiring, financing and managing commercial, industrial and other properties. From 1969 to 1972, Mr. Kendall was branch manager at Victor Computer, a manufacturer and distributor of computer systems. From 1963 to 1969, he was a salesman, financial specialist and sales manager at Burroughs Corporation (now Unisys Corp.). Mr. Kendall graduated from Case Western Reserve University with a bachelor’s degree in psychology in 1960, and attended graduate school at John Carroll University.

JAMES S. O’LEARY had been employed by Monitek since August 1982 and served as its Executive Vice President, Secretary and Treasurer since April 1987. The Company has retained his services and, from December 1996 through November 1998, he served as Vice President of Finance and Chief Financial Officer. In December 1998, Mr. O’Leary was elected as a Director and was appointed Chief Operating Officer of the Company. In September 1999, Mr. O’Leary resigned from his position as Chief Operating Officer but he remained a Director. He will resign his position as a duly elected Director of the Company upon the election of Mr. Rubinstein as a Director.

WILLIAM R. SPROW has served as the Chief Financial Officer of the Company since December 2001. He is responsible for all financial operations from day to day accounting, financial reporting, SEC report preparation and submission, and a variety of administrative responsibilities for all CPS companies, Sentex and Regency. He additionally handles IT administration issues for our own internal system. Mr. Sprow also serves as Controller of CPS Holding Company, Ltd., a related company that is responsible for energy purchasing and subsequent energy management for a variety of clients ranging from large Fortune 1000 clients to large public institutions. With over 38 years of related accounting and financial experience, Mr. Sprow served as Vice President, Finance of Borden Consumer Products, Canada from 1980 to 1985; as Controller and Operations Manager for Sherwin-Williams Canada from 1986 to 1993; in key management positions with a number of Northeast Ohio companies from 1995 to 1999.

HENRIK RUBINSTEIN has many years of experience as founder and managing director of Astro and has acted as CEO of AD since 1989. Henrik holds a director position as well in SecITV. Additionally, Mr. Rubinstein is directly involved on the Board of Directors of 1stMF.

There are no family relationships among directors, executive officers, or persons nominated or chosen by Sentex to become directors or officers.

No Director, officer or nominated Director or officer, in the past five years, has been subject to any bankruptcy or similar activity, had any criminal conviction, been the subject to any order limiting involvement in any type of business, securities or banking activities, or been found as having violated a federal or state securities or commodities law. No Director, officer or nominated Director or officer has been a party, during the past five years to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding been, or is subject to, a judgment, decree or final order finding violations of or enjoining future violations of or prohibiting or mandating activities subject to federal or state securities laws.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Mr. Kendall, as a director, executive officer and beneficial owner of more than five percent of the common shares of the Company, and Mr. Rubinstein, as a nominee for election as a director, have material interests in the proposed transactions, as more fully described under "Terms of the Transactions," set forth above.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

No person who, at any time during the Company's most recent fiscal year, was a director, officer, or beneficial owner of more than ten percent of any class of equity securities of the Company failed to file, on a timely basis, any reports required by Section 16(a) of the Exchange Act during the most recent fiscal year.

The Company does not have a standing audit, nominating or compensation committees of the Board of Directors, or committees performing similar functions due to the fact that the Company has not had any significant operations since 2001.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Neither the Company's Chief Executive Officer, nor any other executive officer's total compensation exceeded \$100,000 for the fiscal year ended November 30, 2005.

Long-Term Compensation:

No long-term compensation was paid during the fiscal years ended November 30, 2005, 2004, or 2003 to any executive officer of the Company by way of restricted stock awards, options or stock appreciation rights, or other long-term incentive plans.

Stock Options:

The Company adopted the Sentex Sensing Technology, Inc. Stock Option Plan at a special meeting of its shareholders held on November 14, 1996. Under the Plan, the Company may grant different types of options covering up to 7,000,000 Common Shares to its existing and future directors, officers and employees. As of August 22, 2006, there were no Company stock options held by the directors or executive officers of the Company.

Director Compensation

There are no standard arrangements pursuant to which directors of Sentex are compensated for any services provided as directors.

Compensation Pursuant to Plans:

The Company has no plans pursuant to which cash or non-cash equivalents were paid during the fiscal years ended November 30, 2005, 2004, or 2003.

FINANCIAL AND OTHER INFORMATION

See Sentex and Subsidiaries' Consolidated Balance Sheet for the year ending November 30, 2005 (audited) and the Six Months ended May 31, 2006 (unaudited), Consolidated Statements of Operations for the Six Months ended May 31, 2005 (unaudited), and May 31, 2006 (unaudited), and Consolidated Statements of Cash Flow for the Six Months ended May 31, 2005 (unaudited) and May 31, 2006 (unaudited), set forth in the Company's most recent 10-QSB, filed July 14, 2006, incorporated by reference herein, and attached hereto as Exhibit C.

See Sentex and Subsidiaries' Consolidated Financial Report for the year ended November 30, 2005, set forth in the Company's Annual Report filed on Form 10-KSB/A, filed April 18, 2006, incorporated by reference herein, and attached hereto as Exhibit D.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOUR" OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

Certain statements in the Management's Discussion and Analysis of Financial Condition and Results of Operations and the Financial Statements included in this Information Statement constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These may include statements projecting, forecasting or estimating Company performance and industry trends. The achievement of the projections, forecasts or estimates is subject to certain risks and uncertainties. Actual results and events may differ materially from those projected, forecasted or estimated. The applicable risks and uncertainties include general economic and industry conditions that affect all business, as well as matters that are specific to the Company and the markets it serves.

Specific risks to the Company include an inability of the Company to finance its working capital needs. In light of this and other uncertainties, the inclusion of a forward-looking statement herein should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved.

OVERVIEW

Our Future Business

On May 4, 2006 a press release was issued stating that the Company had signed a Memorandum of Understanding with SecITV to bring to the Company biometric technology. On July 19, 2006, Sentex and SecITV, entered into the Distribution Agreement and the SICG Agreement. SecITV develops and markets proprietary fingerprint, face recognition and voice recognition identification biometric technology and software solutions. It also delivers advanced identification solutions and information services to law enforcement departments, public safety agencies and other government and private sector customers.

SecITV owns automated finger identification technology that can be used without the aid of non-automated methods of identification such as a personal identification, password, single sign on, token, smart card, ID card, credit card, passport, driver's license or other form of possession- or knowledge-based identification. This advanced biometric identification technology improves both the accuracy and speed of finger-based biometrics, and is the only finger identification algorithm that has been used on Sun Solaris, Linux, Microsoft and several other embedded operating system platforms.

Since Astro/SecITV's inception in 1989, it has spent substantial time and effort in completing the development of what it believes is the most discriminating and effective finger and face biometric technology available.

Recently, it has focused on multimodal solutions. During the past four years, SecITV's focus has shifted to marketing and selling this technology and completing strategic acquisitions that can help it leverage its capability to deliver identification solutions. With the strategic partnership in Sentex, SecITV intends to move this to a business model of exclusive distribution.

SecITV intends to build a direct sales force of professionals with substantial experience in selling technology-based solutions to government and corporate customers. It expects to add up to 150 qualified personnel after the Closing and raising capital.

After successful completion of the contemplated transaction Sentex expects to have a 20-person research and development team for the development of new ASICS, Bio codes and Data Warehouse solutions. The face recognition team is expected to have a direct focus on multimodal solutions and the implementation of them in commodity products in the market. The voice recognition team is expected to act in parallel on a similar stream of multimodal combinations. The ASIC development is expected to bring a new device which will allow SecITV to bundle its current chips in higher speed and add more networking and Bluetooth performance. An integrated framegrabber is provided to get more features in commodity environments for multimodal face recognition.

Sentex is currently in discussions with several states in the United States for office facilities to headquarter the Company. The desire is to acquire approximately 22,000 square feet of operating space, and to provide incentives to raise \$6,000,000 in seed funding to start the operations. Additionally, Sentex and SecITV are in discussions with several institutional investors to acquire capital project funding of \$30,000,000. The money will be needed for national identification card projects, prior to receiving additional financing.

Sentex is looking to acquire, after settlement of ongoing business, several patents relating to future automotive projects. These future automotive projects are subject to the receipt of additional required capital. It is contemplated that Sentex will develop a BIC (Biometric Internet Computer) Trust Center. The required server farms are under discussion and are expected to be purchased as soon as reasonable after the location of the headquarters is established.

Sentex will have some costs for its Postal Office and Shop POS (Point of Sale) Terminal development. The possibility of outsourcing the physical housing is currently being discussed in order to reduce production costs.

FINANCIAL CONDITION

Working Capital and Liquidity

During the last several fiscal years, the Company has incurred losses from operations. In addition, the Company's certified public accountants, Hausser + Taylor LLC, have included in their auditors' report, which covers the Company's financial statements for the years ended November 30, 2004 and November 30, 2005, a statement that the Company's recurring losses from operations raised substantial doubt about the Company's ability to continue as a going concern. For fiscal year 2004 and the year ended November 20, 2005, the Company sustained losses of approximately \$781,000 and \$377,000, respectively. These losses have had a substantial adverse effect on the working capital of the Company. The Company hopes the contemplated transactions are expected to increase working capital and liquidity as more particularly described above, and will allow the Company to pursue additional financing, also as described above.

Net Tax Operating Loss Carryforwards

As of May 31, 2006, the Company had approximately \$16,656,000 in net tax operating loss carryforwards which will expire at various dates through the year 2025. Federal tax law imposes restrictions on the use of net operating loss carryforwards in the event of a change in ownership, such as a merger. Due to the merger with Monitek, approximately \$6,265,000 of the \$16,656,000 net operating losses may be subject to these limitations and potentially may not be able to provide any economic benefit to the Company.

RESULTS OF OPERATIONS

On November 20, 2005, JJJ-RT, LLC ("JJJ-RT") assumed the operations of the former Regency Technologies, Ltd. ("Regency").

The Company currently has no active operation. Expenses shown on the Consolidated Statement of Operations include corporate administrative overhead only.

Investment in Regency Technologies, Ltd.:

Due to a change in control, the Company now accounts for its investment in JJJ-RT on the equity method. However, losses and distributions have exceeded the Company's investment in JJJ-RT. Accordingly, the Company has reflected such investments at zero. The Company's share of future losses in this investment will be suspended for book purposes. Furthermore the Company's share in future income will not be recognized until the aggregate of such income equals the aggregate of their suspended losses.

The net loss on disposal of Regency is the result of recognizing the net investment deficit in Regency as of November 20, 2005 as income to bring the value of the investment to zero and decreasing that gain by the forgiveness of inter-company debt as stated in the Contribution and Investment Agreement.

The following table sets forth certain summarized financial information of JJJ-RT, the Company's only investment, based upon the applicable financial statements, adjusted for accounting principles generally accepted in the United States of America. This information is for the five months ended May 31, 2006 and has not been audited or reviewed, among JJJ-RT, Regency, Regency Acquisition, LLC and the Company, dated November 20, 2005.

BALANCE SHEET DATA	2006
Current assets	\$ 330,520
Leasehold improvements	14,774
Other assets	990
Total Assets	346,284
Current Liabilities	249,382
Partners' Equity	96,902
Total liabilities and partners' equity	\$ 346,284

STATEMENT OF INCOME DATA

Revenues	\$ 1,759,533
Net income	\$ (97,604)

CHANGES IN ACCOUNTING STANDARDS

New Accounting Standards - In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 151, "Inventory Costs," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. This standard requires that such items be recognized as current-period charges. The standard also establishes the concept of "normal capacity" and requires the allocation of fixed production overhead to inventory based on the normal capacity of the production facilities. Any unallocated overhead must be recognized as an expense in the period incurred. This standard is effective for inventory costs incurred starting January 1, 2006. The Company does not believe the adoption of this standard will have a material impact on its consolidated financial statements.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets." This standard amended APB Opinion No. 29, "Accounting for Nonmonetary Transactions," to eliminate the exception from fair value measurement for nonmonetary exchanges of similar productive assets. This standard replaces this exception with a general exception from fair value measurement for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for all nonmonetary asset exchanges completed by the company starting January 1, 2006. The Company does not believe the adoption of this standard will have a material impact on its consolidated financial statements.

In December 2004, the FASB released a revised version of SFAS No. 123 (FASB 123R), "Accounting for Stock-Based Compensation." This statement supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. This statement amends and clarifies the accounting for transactions in which an entity exchanges its equity instruments for goods or services. This statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments and to recognize this cost over the vesting period or time period during which the employee is required to provide service in exchange for the reward. This statement is effective for the Company starting January 1, 2006. The Company does not expect the adoption of this statement to have a material impact on its financial statements.

In June 2005, the FASB released SFAS No. 154, "Accounting Changes and Error Corrections", a replacement of APB Opinion No. 20 and FASB Statement No. 3, to change the requirements for the accounting for and reporting of a change in accounting principle. This statement requires retrospective application to prior periods' financial statements of changes in an accounting principle, unless it is impracticable to determine either the period specific effects or the cumulative effect. If impracticable to determine period specific effects, this statement requires the new accounting principle to be applied to balances of assets and liabilities as of the beginning of the earliest period for which retrospective application is practicable and a corresponding entry made to opening balance of retained earnings for that period. If it is impracticable to determine the cumulative effect to prior periods, the statement requires the new accounting principle to be applied from the earliest date practicable. This statement requires that a change in depreciation, amortization and depletion methods for long-lived assets be accounted for as a change in estimate effected by a change in accounting principle. Lastly, this statement carries forward guidance from Opinion 20 for reporting the correction of an error in previously issued financial statements and a change in accounting estimate. This standard is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not believe the adoption of this standard will have a material impact on its consolidated financial statements.

There have been no changes in or disagreements with accountants on any accounting and financial disclosures.

INTEREST OF CERTAIN PERSONS IN THE TRANSACTIONS.

Mr. Kendall, the Company's Chairman, President and Treasurer, and Mr. Rubinstein, a nominee for Director, each have the interests in the transactions described under "Terms of the Transactions," set forth above.

HOUSEHOLDING

The SEC permits a single set of annual reports, proxy statements or information statements to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing costs. A number of brokerage firms have instituted householding. Only one copy of this information statement and the attached appendices will be sent to certain beneficial shareholders who share a single address, unless any shareholder residing at that address gave contrary instructions.

If any beneficiary shareholder residing at such an address desires at this time to receive a separate copy of this information statement and the attached appendices, or if any such shareholder wishes to receive a separate information statement, proxy statement or annual report in the future, the shareholder should provide such instructions to the Company by calling (216) 687-0289, or by writing to Sentex at 1801 East 9th Street, Suite 1510, Cleveland, Ohio 44114.

INFORMATION INCORPORATED BY REFERENCE

Upon written or oral request, we will furnish, without charge, to record and beneficial shareholders a copy of any of the documents referred to in this information statement or incorporated by reference. These documents will be provided by first class mail or other equally prompt means within one business day of the request. Please make your request to the address or phone number listed above.

By order of the Board of Directors,

/s/ Robert S. Kendall

Robert S. Kendall, President

Cleveland, Ohio

August 23, 2006

INDEX TO EXHIBITS TO INFORMATION STATEMENT

Exhibit

Document

A Exclusive Distribution Agreement, dated July 19, 2006, by and between Security IT Vision, Inc. and Sentex Sensing Technologies, Inc.

B Share Issuance and Corporate Governance Agreement, dated July 19, 2006, by and among Sentex Sensing Technology, Inc., 1st Management Finance, Inc., Henrik Rubinsein, and Robert Kendall.

C Sentex Sensing Technology, Inc. Quarterly Report filed on Form 10-QSB, filed July 14, 2006.

D Sentex Sensing Technology, Inc. Annual Report for the year ending November 30, 2005, filed on Form 10-KSB/A, filed April 18, 2006.

EXCLUSIVE DISTRIBUTION AGREEMENT

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EXCLUSIVE DISTRIBUTION AGREEMENT

This EXCLUSIVE DISTRIBUTION AGREEMENT ("Agreement"), dated as of 2th June, 2006 ("Effective Date") is entered into by and between Security IT Vision, Inc., an Oregon corporation ("SecITV"), having a place of business at 1380 Lead Hill Boulevard, Suite 106, Roseville, California 95661, and Sentex SENSing Technologies, Inc., a New Jersey corporation ("Distributor"), having a place of business at 1801 East 9th Street, Cleveland, Ohio 44114. SecITV and Distributor separately are a "Party" and together are the "Parties."

WHEREAS, SecITV owns certain Technology (as defined below), including hardware and software, relating to identification of people by facial, and fingerprint recognition, and desires to grant to Distributor a license to use and distribute the Technology as herein set forth;

WHEREAS, Distributor desires to obtain a distribution license from SecITV.

WHEREAS, SecITV and the Distributor are fully aware that, SecITV is only active in OEM business activities as at the date hereof. (Distributor is on filing Form 10QSB dated 21th April, 2006.) , Distributor currently has no active operation and is a shell corporation.

WHEREAS, both Parties are very sophisticated businesspeople with many years of business experience, and each is fully aware on the risks based on this transaction, and each acknowledges same to the other. Notwithstanding, a document setting forth certain important risks will be referred to in Section 16.

NOW, THEREFORE, in consideration of the foregoing and the respective promises and covenants contained in this Agreement, SecITV and Distributor hereby agree as follows:

1. Definitions.

The following terms shall have the meanings set forth below:

1.1. **Affiliate.** "Affiliate" shall have the meaning ascribed to such term under Rule 405 of the Securities Act of 1933.

1.2. **Corporate Governance and Share Issuance Agreement.** "Corporate Governance and Share Issuance Agreement" means an agreement between the parties, as annexed hereto as Exhibit A.

1.3. **Improvements.** "Improvements" means all inventions protectable by patent that are improvements or modifications to the Technology and that are created or developed either independently or jointly by SecITV and/or Distributor.

1.4. **Joint Technology.** "Joint Technology" means all Technology and Improvements developed jointly by the parties.

1.5. **Licensed Hardware Products.** "Licensed Hardware Products" means all products made, have made, used, offered for sale or sold by Distributor incorporating or developed using the Licensed Technology for Security Applications.

1.6. **Licensed Services.** "Licensed Services" means all services provided by Distributor incorporating or developed using the Licensed Technology for Security Applications.

1.7. **Licensed Software Products.** "Licensed Software Products" means all products made, have made, used, offered for sale or sold by Distributor incorporating or developed using the Licensed Technology for Security Applications.

1.8. **Licensed Technology.** "Licensed Technology" means any and all SecITV Technology, SecITV Patents, SecITV Derivative Works, and SecITV Improvements.

1.9. **Patents.** "Patents" means all U.S. patents and patent applications relating to the Technology (only if filed in the USPTO during the term of this Agreement), including all continuations, continuations-in-part, divisionals, reissues, reexamination certificates, extensions and renewals, and including all foreign counterparts thereto, owned by or licensed to SecITV and/or Distributor or Parent, that relate to verifying identification of people by means referred to above, including all patents and patent applications, if any, identified in Exhibit B.

1.10. **Person.** "Person" means an individual, a corporation, a partnership, an association, a limited liability company, a trust, any unincorporated organization or a government or a political subdivision thereof.

1.11. **Product.** "Product" means that as is fully described in Exhibit C.

1.12. **Security Applications.** "Security Applications" means any and all uses relating to (i) securing and/or providing restricted access to information, systems, technology, locations or things, and (ii) confirming or verifying identification or authorization, and identifying individuals or authorized users, each as more completely identified and detailed in Exhibit D.

- 1.13. **Technology.** "Technology" means the technology, processes, ideas, concepts, inventions, invention disclosures, laboratory notebooks, know-how, discoveries, trade secrets, improvements, design information, drawings, plans, technical data, shop rights, engineering documentation, engineering notebooks, specifications, blueprints, mask works, flow charts, diagrams, software (in object and source code), models, prototypes and other intellectual property developed (i) by SecITV prior to or during the term of the License, (ii) by Distributor during the term of the License or (iii) jointly by SecITV and Distributor during the term of the License, pertaining to any and all Security Applications.

2. **Grant of Distribution and Other Rights.**

2.1. **Licensed Technology Grant.** SecITV, subject to Sections 5.1, 5.2, 5.3, 5.4, and 10, hereby appoints Distributor licenses and grants to Distributor the sole right to act as SecITV's exclusive distributor and sales representative in the Territory to use Licensed Technology as herein provided to make, have, have made, use, offer to sell, sell, and import Licensed Hardware Products and Licensed Software Products, and provide Licensed Services only for Security Applications, except as limited herein. Further, SecITV also grants to Distributor the right, power, and license to appoint sub-distributors as is set forth in Section 2.1 below. Distributor hereby accepts the appointment and agrees to assume the powers granted to it hereunder and, as a part thereof, to distribute the Products in the territory.

2.2. **Subdistributors.** Upon the prior written request by Distributor, SecITV shall have the option, at its sole and absolute discretion, to allow Distributor to appoint one or more sub-distributors under the Licensed Technology commensurate in scope with the distribution rights appointed hereunder, which shall not be unreasonably withheld. Notice of the disallowance of any sub-distribution that Distributor has requested pursuant to this Section 2.1 shall be provided to Distributor in writing no later three (3) business days after receipt of such request by SecITV. If SecITV does not respond to Distributor's request within such period, the sub-distribution shall be deemed to be consented to by SecITV, provided, however, that the terms of any sub-distribution shall be no less restrictive on any sub-distribution than the terms of this Agreement are on Distributor. All sublicenses shall transfer to SecITV upon termination of this Agreement.

2.3. **Consideration.** As consideration for SecITV appointing Distributor the rights provided for in this Agreement, Distributor shall, subject to the other provisions of this Agreement pay SecITV through the issuance of restricted shares of Common Stock, as set forth in detail in Exhibit C.

3. **Restrictions on Technology.**

3.1. Distributor agrees that it shall not use or license the right to use the Technology, nor shall it or shall it allow a third party to make, have made, use, offer to sell, sell, have sold or import any products or services using the Technology for other than Security Applications. All revenues derived by Distributor from the use or license of the Technology as provided for hereunder shall belong to Distributor.

4.

Payments.

- 4.1. **Pass Through Royalties and Fees.** With the prior written agreement of Distributor to incur the expenses noted, All royalties and fees assessed against, accrued or payable by SecITV to a third party, if any, relating to the Licensed Software Products, the Licensed Hardware Products and the Licensed Services shall be paid to SecITV by Distributor, at least five (5) business days before any such royalties or fees are payable by SecITV to such third party. All royalty and fee amounts shall be paid by check or in cash in U.S. dollars. Each payment shall be accompanied by a report identifying all sales, in dollars and in number of units, that form the basis for such royalty calculations or fees payable, and amounts paid.
- 4.2. SecITV receives for his its technology a fee of 5% for the use of the technology if the product is manufactured from Distributor based on agreement. The base for the fee is the net manufacturing cost to Distributor

5.

Taxes.

- 5.1. SecITV is not responsible for any sales, use, value-added, personal property or other taxes imposed on either Distributor's use, possession, offer for sale, or sale of Licensed Products. Each Party shall be solely responsible for any taxes based on its own net income, as well as for obtaining its own professional tax advice relating to this Agreement.

6.

Perpetual Term.

- 6.1. This distribution agreement set forth in this Agreement shall be perpetual and at the least have a term of fifty (5) years. Further, once the Shares are transferred to SecITV by Distributor as contemplated by the Share Issuance Agreement, this distribution shall be fully paid, non-assignable, and may not be terminated by SecITV for any reason within above mention period.
- 6.2. Any and all disputes which may arise between SecITV and Distributor arising under this Agreement which cannot be promptly settled amicably as between themselves or, by their nature, require judicial termination, shall be decided by arbitration under the rules of the American Arbitration Association ("AAA"), Cleveland, Ohio office, with a single arbitrator, to be agreed upon by the parties, or if not selected within thirty (30) days, to be selected according to the AAA rules, with the parties endeavoring to conclude such arbitration within six (6) months from initiation of the arbitration. All arbitration fees, costs and expenses shall be paid by the losing party to any such arbitration.
- 6.3. Upon termination of this Agreement, Distributor shall immediately cease all manufacture, use, sale and providing of Licensed Hardware Products, Licensed Software Products and Licensed Services and, to the extent reasonably practicable, each party shall promptly return and deliver to the other party all Licensed Technology and Confidential Information belonging to such party that is in its possession, and shall certify in writing that it has not knowingly retained any copies of such.

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7.

Ownership of Rights.

7.1. **Ownership of Licensed Technology.** Distributor acknowledges and agrees that title to and ownership of the Licensed Technology and all of the applicable intellectual property rights in and to the Licensed Technology shall be as follows:

7.1.1. All Technology developed solely by SecITV ("SecITV Technology") and Improvements developed by SecITV ("SecITV Improvements") shall be owned by and remain the sole and exclusive property of SecITV. Distributor acknowledges that this Agreement does not convey any interest in and to the SecITV Technology or SecITV Improvements or the intellectual property rights therein other than the distribution rights set forth in Sections 2, 2.1, and 2.2 herein.

7.1.2. All Technology developed solely by Distributor ("Distributor Technology") and Improvements developed by Distributor ("Distributor Improvements") shall be owned by and remain the sole and exclusive property of Distributor. SecITV acknowledges that this Agreement does not convey any interest in and to the Distributor Technology or Distributor Improvements or the intellectual property rights therein other than the license rights set forth in Section 2.3.

7.1.3. All Technology and Improvements developed jointly by the Parties ("Joint Technology") shall be jointly owned by and remain the jointly owned property of the Parties in equal share. Any and all Derivative Works, SecITV Improvements and Distributor Improvements shall be subject to one or more separate development agreements and/or licenses to be negotiated by the Parties in good faith.

8. **Warranties and Indemnity of SecITV to Distributor.** SecITV represents and warrants to Distributor that the statements contained in this Section 8 are true and correct

8.1. **Organization, Qualification, and Corporate Power.** SecITV is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation. SecITV is duly qualified to conduct business and is in corporate and tax good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, except for those jurisdictions where the failure to be so qualified would not have a material adverse effect on SecITV. SecITV has all required corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. SecITV is not in default under or in violation of any provision of its Certificate of Incorporation or By-Laws.

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8.2. **Capitalization.** The party or parties that control SecITV have all required power and authority to own and to vote all of the outstanding shares of capital stock of SecITV. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any capital stock of SecITV. The principal owners of SecITV shall be made a party to this Agreement as is referred to below.

8.3. **Authority.** SecITV has all required power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder and thereunder. The execution, delivery, and performance by SecITV of this Agreement and the other documents it is required to execute and delivery to Distributor hereunder, and the consummation by SecITV of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate and shareholder action. This Agreement has been duly and validly executed and delivered by SecITV and constitutes a valid and binding obligation of SecITV, enforceable against SecITV in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally.

8.3.1. To the knowledge of SecITV, none of the activities or business presently conducted or products currently shipped by SecITV, or conducted by or shipped by SecITV at any time whatsoever, infringes or violates, or constitutes a misappropriation of, any intellectual property rights of any person or entity, or violates any local, state, or federal law or regulation (collectively, "laws"). SecITV has not received any complaint, claim, or notice alleging such infringement, violation, misappropriation or laws.

8.4. **Brokers' Fees.** SecITV has no liability or obligation to pay any finder's fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

8.5. **Books and Records.** The books, records, accounts, ledgers, and files of SecITV, insofar as they pertain to the License, are accurate and complete in all material respects and have been maintained in accordance with good business and bookkeeping practices.

8.6. **Distributor's Agreements as to Product.**

8.6.1. Distributor shall examine the quality of the Products received by it without delay and no later than ten (10) days after receipt.

Distributor shall promptly (within ten (10) days) lodge a complaint with the Carrier in case of packing defect and shall note to the carrier the damage.

In case of quality defect, Distributor shall promptly inform SecITV of same.

8.6.2. Any Products which Distributor finds to be defective ("Defective Product") as a result of faulty design manufacture or workmanship will at the sole discretion of SecITV either be replaced free of charge or repaired free of charge within Warranty from the delivery of the Defective Product, provided that:

8.6.3. The Distributor shall state, in its opinion, whether or not the Product has not been misused, mishandled, overloaded, amended, modified or repaired in any way by Distributor, its servants or agents, or used for any other than that for which they were designed.

8.6.4. The Defective Product shall be returned by Distributor to SecITV properly packed carriage paid to SecITV and repaired or replaced Products will be returned free-of-charge to destinations as directed by Distributor.

a) Subject to the foregoing and the following sub-clauses of this clause, all risks shall pass to Distributor's Customer and shall be made known to the Customer as part of the Purchase Order with respect to Products purchased from Distributor.

b) Unless otherwise specified, delivery shall be deemed to take place when the Products have been delivered to the Customer's premises or other specified delivery point, to the Customer's carrier if to be collected for dispatch abroad.

c) All dates and times specified to the Customer for delivery and installation of the Products or the provision of Services are estimates only.

d) If the Customer does not accept delivery of a consignment of Products in accordance with the Contract then:

e.1) SecITV shall be entitled to claim payment for the Products refused, and

e.2) The Products refused shall be in all respects at the Customer's risks, and

e.3) The cost of storing the Products shall be borne by the Customer, and

8.7. **Confidentiality**. Company and Distributor and their employees shall not divulge any information that is considered as confidential. This information might relate but not limited to the Product, to the parties' affairs or business or method of carrying on business

8.8. **Disclosure**. No representation or warranty by SecITV or Distributor contained in this Agreement, and no statement contained in any exhibit or any other document, certificate, or other instrument delivered to or to be delivered by or on behalf of one party to the other pursuant to this Agreement, and no other statement made by either SecITV or Distributor or any representatives of SecITV or Distributor, one Party to the other, in connection with this Agreement, contains or will contain any untrue statement of a material fact or omit or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading. SecITV has disclosed to Distributor all material information relating to the business of SecITV, the Joint Technology, and/or the transactions contemplated by this Agreement.

8.9. **Definition of Knowledge**. in each case where a representation or warranty of SecITV contained in this Section 8 is qualified as being "to the knowledge of SecITV," such knowledge shall be deemed to consist of the actual knowledge of any director, officer, or member of management of SecITV, in each case after actually conducting a reasonable investigation.

8.10. **Limitations**. Nothing contained in this Agreement shall be construed as creating any form of license or rights under any patents, copyrights, mask works, trademarks, service marks, trade names, service names, trade dress, trade secrets, know-how, or confidential information owned or controlled by SecITV, other than as specifically indicated herein.

8.11.

Indemnities.

8.11.1. **By SecITV**. SecITV shall indemnify, defend and hold harmless Distributor against any claim, demand or cause of action (a) resulting from a breach of any provision of this Agreement by SecITV; or (b) relating to infringement based on the use by Distributor of any one or more of the Licensed Hardware Products, Licensed Services, Licensed Software Products, Licensed Technology, and Patents in conformance with the specifications or the requirements of this Agreement; provided that indemnification by SecITV under (b) shall not apply to any allegation or determination of infringement to the extent that such infringement is based on (i) the use of application code or modifications developed by Distributor or a third party, if such infringement would have been avoided in the absence of such use; (ii) the use of any other software or hardware that is used in conjunction with the Product, if such infringement would have been avoided in the absence of such combination or use; (iii) the unauthorized use of the Product; or (iv) use of the Product not in conformance with the specifications or the requirements of this Agreement; and provided, further, that this indemnification shall be contingent upon Distributor notifying SecITV within ten (10) days of learning of any such claim, demand, or cause of action within ten (10) days thereof, and providing SecITV with such assistance as reasonably requested by SecITV in defending against such claim, demand or cause of action; and (v) based on or resulting from a breach of any provision of the Agreement by SecITV.

8.11.2. **By Distributor.** Distributor shall indemnify, defend and hold harmless SecITV against any claims, demands or causes of action (a) alleging infringement of any third party intellectual property rights based on (i) the use of application code or modifications developed by Distributor or a third party, (ii) the use of any other software or hardware that is used in conjunction with the Product, (iii) the unauthorized use of the Product, or (iv) use of the Product not in conformance with the specifications or the requirements of this Agreement, (b) based on the unauthorized use of the Product by Distributor, or (c) based on or resulting from a breach of any provision of this Agreement by Distributor.

8.12. Product Warranties. SECITV HEREBY DISCLAIMS AND WAIVES ALL RIGHTS TO CONTEST ALL IMPLIED WARRANTIES OF ANY SORT, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE TECHNOLOGY, IMPROVEMENTS, LICENSED HARDWARE PRODUCTS, LICENSED SOFTWARE PRODUCTS AND LICENSED SERVICES.

8.13. **Mitigation.** In the event that any claim, demand or cause of action ("Claim") is asserted against SecITV or Distributor alleging infringement of any third party's intellectual property rights resulting from grant or rights made hereunder or the the use by Distributor of the Product, SecITV promptly shall use commercially reasonable efforts to seek to resolve such Claim by one or more of the following: (a) modifying the Product such that it no longer infringes or (b) obtaining a license, subject to the prior written agreement of Distributor, intellectual property asserted to have been infringed (the payments under which shall be borne by Distributor). Should it be commercially unreasonable for SecITV to undertake either (a) or (b), or if the payments under (b) are unduly burdensome for Distributor, then Distributor may either (x) terminate this Agreement, (y) request that SecITV remove the infringing subject matter (at SecITV's expense) or (z) continue using the Product, provided, that in such event Distributor shall bear all costs and expenses and responsibility for defending against and payment of any and all damages relating to Distributor's use of the Product and any lawsuits, proceedings and/or settlements relating to any such Claims.

9. **Representations and Warranties of Distributor to SecITV.** Distributor represents and warrants to SecITV as follows:

9.1. **Organization.** Distributor is a corporation duly organized, validly existing, and in good standing under the laws of the state of its incorporation.

9.2. **Authorization of Transaction.** Distributor has all required power and authority to execute and deliver this Agreement and to issue the Shares and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement by Distributor and the performance of this Agreement and the consummation of the transactions contemplated hereby and thereby by Distributor have been duly and validly authorized by all necessary corporate and shareholder actions. This Agreement has been duly and validly executed and delivered by Distributor and constitutes a valid and binding obligation of Distributor, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally.

9.3. **Noncontravention.** Neither the execution and delivery of this Agreement nor the contemplated issuance and transfer and sale of the Shares by Distributor, nor the consummation by Distributor of the transactions contemplated hereby or thereby, will (a) conflict or violate any provision of the charter or Code of Regulations of Distributor, (b) required on the part of Distributor any filing with, or permit, authorization, consent or approval of, any governmental entity, (c) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party any right to accelerate, terminate, modify, or cancel, or require any notice, consent, or waiver under, any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement, or mortgage for borrowed money, instrument of indebtedness, security interest, or other arrangement to which Distributor is a party or by which it is bound or to which any of its assets is subject, or (d) violate any order, writ, injunction, decree, statute, rule, or regulation applicable to Distributor or any of its properties, assets, or stock.

9.4. **Brokers' Fees.** Distributor has no liability or obligation to pay any finder's fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

10. **Marking.**

10.1. If applicable, Distributor shall permanently mark with the numbers of any patents relating to the Licensed Technology owned by SecITV ("Patents") all of the Licensed Hardware Products and Licensed Software Products in accordance with 35 U.S.C. § 287 and in substantially the following form: "This product is covered by one or more of the following United States Patents: ___[list numbers.]" In addition to marking the Licensed Hardware Products and Licensed Software Products in the manner described above, Distributor must also mark, in substantially the same manner as described above, the box or packaging that contains the Licensed Hardware Products or Licensed Software Products. Distributor may advertise and reference the fact that the Licensed Hardware Products and Licensed Software Products are licensed under the Patents and that the Patents are owned by SecITV but, except as expressly provided herein, shall not otherwise use the name or any trademark or service mark of SecITV to market, advertise, or promote the Licensed Hardware Products, Licensed Software Products or Licensed Services or any other products or services without SecITV's express written consent, which consent shall not be unreasonably withheld.

11. **Non Assignment.**

11.1. Distributor may not assign this Agreement or any of the rights or privileges under this Agreement without the prior written consent of SecITV which consent shall not be unreasonably withheld. For purposes of this Agreement, Distributor shall be deemed to have assigned this Agreement in derogation of this provision, if Distributor permits or fails to prevent any other person or entity to take the place of Distributor hereunder by merger, consolidations, stock transfer, other reorganization or as a result of bankruptcy. Notwithstanding the above, Distributor may assign this Agreement to an entity that is an Affiliate of Distributor. The validity of any approved or allowable assignment of this Agreement or any of the rights or privileges under this Agreement shall be subject to the assignee agreeing in advance in writing to be bound by the terms of this Agreement. Any attempted assignment in derogation of the foregoing shall be void.

12. **Infringement by Third Parties.**

12.1. SecITV shall have the sole and exclusive right to bring suit and initiate proceedings relating to any infringement of the Patents or misappropriation of the Technology or Improvements and to settle the same. All costs and expenses relating to any such suit or suits or proceeding shall be paid for by SecITV, and shall not be the responsibility of Distributor, and any and all recoveries, awards, or payments from said suits or any settlements thereof shall be the property of SecITV. Distributor shall reasonably cooperate with and assist SecITV in all such suits as SecITV deems reasonably appropriate or necessary and all costs and expenses thereof shall be borne by SecITV. If Distributor becomes aware of any infringement of any Patent or misappropriation of the Technology or Improvements by any third-party, Distributor shall promptly notify SecITV of such and provide SecITV with any and all evidence thereof in its possession or control.

13. **Third Party Technology.**

13.1. The parties acknowledge that certain software, equipment or technology of third parties, including without limitations, facial, speech, eye, and fingerprint recognition software and hardware, may be required to operate or provide support for the Licensed Hardware Products, Licensed Software Products or Licensed Services or to evidence the practice the Licensed Technology. SecITV shall cooperate with Distributor to identify any such third party technology that may be available to Distributor, but SecITV shall not be obligated to pay for the purchase or licensing of any such third party technology or any third party intellectual property rights relating to such technology.

14.

Prosecution.

14.1. **By SecITV.** SecITV shall retain the right but not the obligation to prosecute and/or maintain the Patents that may relate to the SecITV Technology and Joint Technology and any other intellectual property rights relating thereto. Distributor shall cooperate with SecITV in any prosecution of pending applications concerning any SecITV Technology and Joint Technology by providing upon request technical information and data in an appropriate form relating to the subject matter of any pending applications or issued patents. SecITV shall be responsible for all costs and expenses with respect to the SecITV Technology. SecITV and Distributor shall share equally all costs and expenses with respect to the Joint Technology.

14.2. **By Distributor.** Distributor shall retain the right but not the obligation to prosecute and/or maintain the Patents that may relate to the Distributor Technology or any other intellectual property rights relating thereto. Distributor shall be responsible for all costs and expenses with respect to the Distributor Technology.

14.3. **Failure to Prosecute.** Should a Party fail to or choose not to prosecute or maintain any patents relating to the SecITV Technology or the Distributor Technology or pay for the prosecution of any patents relating to the Joint Technology, the other Party shall have the right to prosecute and/or maintain such patents subject to such other Party paying for and undertaking such obligation to prosecute and maintain any such patents. Should the other Party undertake the obligation to prosecute and maintain and pay for any such patents, the non-prosecuting Party shall relinquish its right, if any, to prosecute the patent, and the non-prosecuting Party shall assign and shall be deemed to have assigned all of its rights in same to the prosecuting Party. Upon assignment of any such patent, the assigning Party shall be granted by the other Party a license to such patent that is commensurate in scope to the rights enjoyed by the assigning Party in such patent pursuant to this Agreement prior to the assignment.

15.

Information and Confidentiality.

15.1. **Exchange of Information.** During the term of this Agreement, SecITV and Distributor agree to promptly keep each other informed on all Improvements conceived or developed by either of them to the Technology.

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15.2. **Confidentiality**. SecITV and Distributor acknowledge that the Licensed Technology licensed pursuant to this Agreement relates or will relate to information that is not or will not be publicly available ("Confidential Information"). The Confidential Information provided hereunder is valuable, proprietary, and unique, and each Party agrees to maintain the confidentiality of the Confidential Information and to be bound by and observe the proprietary nature thereof as provided herein. Each Party agrees to take diligent action to fulfill its obligations hereunder by instruction or agreement with its employees or agents (whose confidentiality obligations shall survive termination of employment or agency) who are permitted access to the Confidential Information. Access shall only be given on a need-to-know basis, except as otherwise set forth herein or as may be permitted in writing by the disclosing Party. Without limiting the generality of the foregoing, for the avoidance of doubt, each Party agrees that those staff or other representatives of the other Party who require access to the Confidential Information for support shall not require a license. Neither Party shall use, provide or otherwise make available the Confidential Information or any part or copies thereof to any third party, except its employees, consultants and agents, other than as agreed to in writing in advance by the disclosing Party. Prior to any such disclosure, each party to whom Confidential Information is to be disclosed shall agree to terms and conditions concerning exchange of information and confidentially as laid down in this Section 15.2. The terms and conditions of this Agreement are also confidential to the parties. Neither party shall disclose any such terms and conditions during the term of the Agreement and thereafter without prior written approval by the other party, except as required by law, and as is set forth in Section.

15.3. **Reverse Engineering**. Distributor shall not reverse engineer, decompile or disassemble the Licensed Technology or any portion thereof, nor otherwise attempt to create or derive the Licensed Technology except as permitted by law. Distributor acknowledges and agrees that that unauthorized reproduction, use, or disclosure of the Licensed Technology or any part thereof is likely to cause irreparable injury to SecITV, who shall therefore be entitled to injunctive relief to enforce these license restrictions, in addition to any other remedies available at law, in equity, or under this Agreement, and without the need to post funds, even if ordinarily required.

15.4. **Confidentiality Exceptions**. Notwithstanding the provisions of this Section 15, the confidentiality obligations hereunder shall not apply to (i) information that is known to the public or is generally known within the industry or business, (ii) information that is (was) required to be disclosed pursuant to law (i.e., SEC disclosure requirements) or order of a court having jurisdiction (provided that the party required so to disclose such Confidential Information shall offer the party owning such Confidential Information the opportunity to obtain an appropriate protective order or administrative relief against disclosure of such Confidential Information) but only to the extent of any such required disclosure, and (iii) information that was legally acquired by SecITV or Distributor, as the case may be, from a third-party in good faith, provided that such disclosure by the third-party was not in breach of any agreement between such third-party and SecITV or Distributor, as the case may be.

16. **Survival.**

The terms of Sections 2, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 7, 7.6, 12, 14.2 shall survive the termination or expiration of this Agreement.

17. **Certain Risk Factors.**

Risk factors relating to the Distributor's issuance of its common stock as referred to herein are set forth in Exhibit ____.

18. **Covenants of One Party to the Other.**

18.1. Distributor shall at its own expense apply for all approvals for all those products the Distributor wants to sell in the Territory. Such approvals shall belong to SecITV and be held in SecITV's sole name.

18.2. Distributor shall not make any additions or modifications to the Product without SecITV's prior written approval. The Product can be sold only in the original form and in the original packing. In the event that Distributor makes any such permissible additions or modifications to the Product, full details shall be notified by the Distributor to SecITV in writing within seven (7) days of their being carried out. SecITV shall not be liable for, whether under this Agreement or otherwise, for any consequences arising from such additions or modifications nor for any resultant defect of the Product.

18.3. Distributor shall pursue its activities in co-operation with SecITV, informing SecITV of its activities (marketing and sales) consistently.

18.4. Distributor has the right to set out its own sales prices to its customers

18.5. Distributor shall inform SecITV on the sales price achieved.

18.6. Distributor shall bring to the notice of SecITV any information received by it and which is likely to be of use or benefit to SecITV in relation to the marketing of the Product, which might affect sales of the Product.

18.7. Distributor shall not make any representations, warranties or guaranties with reference to the Product except such as are consistent with the current conditions of sale of SecITV, and the warranties to be set forth in Purchase Orders.

18.8. Shall not incur any liability on behalf of SecITV or in any way pledge or purport to pledge SecITV's credit or accept any order or make any contract on behalf of SecITV.

18.9. **Exhibits.** All Exhibits referred to herein are made a part hereof and incorporated herein as if fully rewritten herein.

18.10. Entire Agreement. The Agreement, along with the exhibits hereto, and subject to the agreements of certain shareholders of Distributor and SecITV as set forth below, are the final and entire agreement between the parties relating to the subject matter and supersedes any and all prior or contemporaneous discussions, statements, representations, warranties, correspondence, conditions, negotiations, understandings, promises and agreements, oral and written, with respect to such subject matter.

18.11. Agreement of SecITV's Controlling Parties. The Agreement of SecITV's controlling parties is set forth after the corporate signature page.

19. **General Provisions.**

19.1. **Choice of Law.** This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of Ohio, without regard to its choice of law provisions.

19.2. **Choice of Forum.** Any claim or action brought by SecITV arising in any way out of this Agreement, other than a dispute under Section 4, which is addressed herein, must be brought in the United States District Court, Central District of California or, if subject matter jurisdiction cannot be obtained in that court, in any court of competent jurisdiction sitting in California. Any claim or action brought by Distributor arising in any way out of this Agreement must be brought in the United States District Court, Northern District of Ohio, or, if subject matter jurisdiction cannot be obtained in that court, in any court of competent jurisdiction sitting in Ohio. SecITV and Distributor hereby submit to the jurisdiction and venue of said courts for these purposes.

19.3. **Entire Agreement.** The Agreement, along with the exhibits hereto, are the final and entire agreement between the parties relating to the subject matter and supersedes any and all prior or contemporaneous discussions, statements, representations, warranties, correspondence, conditions, negotiations, understandings, promises and agreements, oral and written, with respect to such subject matter.

19.4. **No Reliance.** The parties each acknowledge that, in entering into this Agreement, they have not relied upon any statements, representations, warranties, correspondence, negotiations, conditions, understandings, promises and agreements, oral or written, not specifically set forth in this Agreement. All of the parties represent that they are represented by legal counsel and have been fully advised as to the meaning and consequence of all of the terms and provisions of this Agreement.

19.5. **Waiver; Modifications.** No provision of this Agreement shall be waived unless set forth in writing and signed by the party effecting such waiver. No waiver of the breach of any of the terms or provisions of this Agreement shall be a waiver of any preceding or succeeding breach of this Agreement or any other provisions thereof. No waiver of any default, express or implied, made by any party hereto shall be binding upon the party making such waiver in the event of a subsequent default. This Agreement may only be modified or amended by a written agreement executed by each of the parties.

19.6. **Notices.** Any notices permitted or required under the provisions of this Agreement shall be in writing and shall be personally delivered, mailed by certified mail, postage prepaid or by facsimile transmission (with proof of transmission) or shall be sent by overnight courier service to the address of the relevant party as first set forth above. SecITV or Distributor may direct notices to be sent to such other address or Person as any party may have specified in a notice duly given to the other party as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered.

19.7. **Severability.** In the event that any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, void, illegal, or unenforceable in any respect, such invalidity, voidness, illegality, or unenforceability shall not affect any other provision of this Agreement, and the remaining portions shall remain in full force.

19.8. **Cooperation.** Each of the parties hereto shall execute and deliver any and all additional papers, documents, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

19.9. **First Right of Refusal.** Distributor has first right of refusal to purchase the technology if it is ever offered for sale.

19.10. **Titles.** The titles of Sections hereunder are included for ease of reference only, and shall not be used to construe the meaning of this Agreement.

19.11. **Authority.** All parties and authorized representatives signing this Agreement represent and warrant that they have corporate power and authority to execute and enter into this Agreement.

19.12. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which together shall be and constitutes one and the same Agreement.

19.13. **Press Releases and Announcements.** Neither of the Parties shall issue any press release or make any other public announcement or furnish any statement or make any general announcement to its respective employees or customers relating to the subject matter of this Agreement without the prior written approval of the other Party; provided, however, that a Party may make such announcements and disclosures as may be required by applicable laws (in which case the disclosing Party shall advise the other Party and provide it with a copy of the proposed disclosure prior to making the disclosure). Notwithstanding the foregoing, (i) within one day after the date of execution of this Agreement by the Parties, SecITV shall issue a press release in the form of **Exhibit ____** attached hereto and Distributor shall issue a press release in the form of **Exhibit ____** attached hereto and (ii) within one day after the Closing Date, SecITV shall issue a press release in the form of **Exhibit ____** attached hereto and Distributor shall issue a press release in the form of **Exhibit ____** attached hereto, provided, however, that in each case, the Parties may elect to issue a joint press release.

20. **Execution of Agreement**

This agreement will be considered effective when executed by faxsimile by the parties each corporate party to the agreement who has corporate authority to do so and each of Kendall and Rubinstein in their individual capacity as set forth on page 18 and 19. As soon as possible original copies will be delivered on to the other

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Technology License Agreement through their duly authorized representatives on the date set forth above.

SECURITY IT VISION, INC.

By: /s/ Henrik Rubinstein

Name: Henrik Rubinstein

Title: Director

SENTEX SENSING TECHNOLOGIES, INC.

By: /s/ Robert Kendall

Name: Robert Kendall

Title: CEO

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Additional personal agreements made pursuant to 7.2. and 8.2:

1. Henrik Rubinstein being the sole and controlling shareholder of SecITV and as a member of the Board of Directors of the Company shall take all action necessary for the Board of Directors and/or the Shareholders of SecITV to approve the Agreement as may be required by applicable law.

/s/ Henrik Rubinstein

Henrik Rubinstein

2. Robert Kendall being the majority shareholder of Sentex and as a member of the Board of Directors of Sentex shall take all action necessary for the Board of Directors and/or the Shareholders of Sentex to approve the Agreement as may be required by applicable law.

/s/ Robert Kendall

Robert Kendall

**EXHIBIT A TO
EXCLUSIVE DISTRIBUTION AGREEMENT**

**SHARE ISSUANCE AND CORPORATE
GOVERNANCE AGREEMENT**

This Share Issuance and Corporate Governance Agreement (this "SICG Agreement") dated as of June 15, 2006, on the one hand by and between Sentex SENSing Technologies, Inc., a New Jersey corporation ("Sentex"), and 1st Management Finance, Inc. Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands ("1stMF") under its authority as principal owner of Security IT Vision, Inc., an Oregon corporation (SecITV") mbers, P.O. Box 71, Road Town, Tortola, British Virgin Islands ("1stMF"); and, in part, is also by and between Henrik Rubinstein ("HR") and Robert Kendall ("RK"). This SICG Agreement is referred to as Exhibit A in Section 1.2 of the Exclusive Distribution Agreement ("Distribution Agreement"), and is made a part thereof and incorporated therein by reference as if fully rewritten therein. "SecITV" and "Sentex" are at times referred to jointly herein as the "Corporate Parties" and singularly as a "Corporate Party." Similarly, HR and RK are at times referred to herein jointly as the "Parties" and singularly as a "Party."

W I T N E S S E T H :

WHEREAS, Sentex and SecITV, are parties to the Distribution Agreement, pursuant to which, among other things, SecITV is providing to Sentex the exclusive distribution rights to the Technology, pursuant to which, among other things, Sentex will distribute and sell Products incorporating the Technology;

WHEREAS, it is a condition precedent to the Distribution Agreement that SecITV and Sentex enter into this SICG Agreement; and

WHEREAS, Sentex desires to issue to 1stMF and other accredited investors ("Other Transferees") a total of 69,082,924 shares (the "Shares") of the common stock, no par value, of Sentex (the "Common Stock"), and 1stMF, as well as the other transferees, agree to accept the Shares from Sentex in consideration of the grant of the Distribution Agreement, as well as other work and effort that has been done with respect to the overall transaction to which this SICG Agreement is only a part;

WHEREAS, all capitalized terms referred to herein shall have the same meaning as when used in the Distribution Agreement, except when the context reasonably read indicates otherwise;

WHEREAS, this document is referred to as Exhibit A in the Distribution Agreement and, as stated therein and herein, is incorporated in the Distribution Agreement by reference as if fully rewritten therein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Corporate Parties as well as HR and RK, all of whom, as their "names" appear vis-à-vis each other, agree as follows:

PART I

1. **ISSUANCE OF THE SHARES.** In consideration of SecITV's execution and delivery of the Distribution Agreement, and the grant to Sentex of all of the rights provided to Sentex thereunder, Sentex at the Closing hereby agrees to issue the Shares to SecITV and to the Other Transferees who are named in **Schedule 1** hereto, and who will receive that number of shares set opposite to the name of each.

2. **CLOSING.** The closing of this SICG Agreement (the "Closing") shall take place at the same place, date, and time as the closing of the Distribution Agreement.

3. **REPRESENTATIONS AND WARRANTIES OF SENTEX.** Sentex hereby represents and warrants to SecITV and the Other Transferees, as of the date hereof and as of the Closing, as follows:

a) Sentex has the corporate power and authority to execute and deliver this SICG Agreement and to consummate the transactions contemplated hereby. This SICG Agreement and the issuance of the Shares contemplated hereby have been duly authorized by all necessary corporate action on the part of Sentex. This SICG Agreement constitutes the valid and legally binding obligation of Sentex, enforceable against Sentex in accordance with its terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

b) The Shares are duly and validly issued, fully paid and non-assessable and free and clear of all liens, encumbrances, security interests, restrictions, options or other restrictions other than those imposed upon the Shares pursuant to applicable federal and state Shares laws.

c) Sentex was incorporated under the laws of the State of New Jersey, and, to our knowledge, is in good standing under the laws of the jurisdiction in which it was formed.

d) The authorized capital of Sentex consists of 200,000,000 shares of Common Stock authorized with 103,764,911 shares of Common Stock issued and outstanding at the present time.

e) The Shares are to be issued pursuant to Rule 506 promulgated under the Securities Act of 1933, as amended (the "Act").

4. REPRESENTATIONS AND WARRANTIES OF SECITV. SecITV hereby represents and warrants to Sentex as of the Closing as follows:

a) SecITV has the requisite power, capacity and authority to execute and deliver this SICG Agreement and to consummate the transactions contemplated hereby. All action on the part of SecITV necessary for the authorization, execution, delivery and performance of this SICG Agreement has been taken.

b) This SICG Agreement constitutes the valid and binding obligation of SecITV, enforceable against SecITV in accordance with its terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

c) 1stMF is acquiring the shares of Sentex to be received by it, for investment, for its own account, and not with a view to the distribution of the Sentex Shares.