



May 9, 2014

To All ASHI Members:

Since our company's process patents have been approved, there has been much speculation and miscommunication regarding HomeSafe's motives and the validity of the patents. We at HomeSafe have tried to avoid arguing each negative or untrue statement. We have instead tried to go about our business and license our process patents at an affordable rate to all who wish to utilize that process. However, recent events have forced our hand, and required that we take action. This letter is sent to address the misinformation and falsehoods.

Recently, Bill Loden, the president of ASHI, and the owner of Insight Home Inspection, had a television news station televise a false report about our company where they used many of the mistruths that Mr. Loden has been spreading for years. Mr. Loden then saw fit to also post a video of this false report on the ASHI chat board, along with his false comments. It has since been posted on YouTube as well as other prominent locations on the Internet. Unfortunately, we have been forced to rectify this situation legally. We hold no ill will toward Mr. Loden, but are compelled to clarify the mistruths about our company and our patents. Some of the mistruths include those listed below.

- **HomeSafe did not "troll" its patents, and is not a "troll" company.**
 - o Patent trolls generally purchase or lease someone else's patents simply to sue to enforce, with no intention of utilizing the patents. HomeSafe, on the other hand, was the inventor or co-inventor of each of its process patents, and spent hundreds of thousands of dollars to obtain its patents, starting with its first patent filing in 2001. The ownership of our patents and our company has not changed since our incorporation. HomeSafe's research and development began at the National Center for Physical Acoustics, a nationally recognized research facility housed at the University of Mississippi. HomeSafe itself pays a license fee to the University of Mississippi because the university shares ownership of some of HomeSafe's patents. The infrared and acoustic research for HomeSafe's patents was funded by the United States Department of Agriculture (USDA). HomeSafe currently has six (6) approved patents. Another patent has been approved and final paperwork is pending, and several more patents are in process of being approved.
 - o HomeSafe Inspection, Inc. began operations soon after filing its patents in 2001 and started inspecting homes and commercial buildings in Mississippi. HomeSafe then worked to teach inspectors its patent pending process, and within five years, HomeSafe had licensees and franchisees in more than 20 U.S. states. HomeSafe was not and is not in the business of lawsuits, but rather in the business of facilitating infrared home inspections.

- HomeSafe, instead of suing everyone and demanding exclusive rights to the patents, began offering the patented processes for anyone to license, and at a reasonable rate. HomeSafe has structured programs with several companies so as to make obtaining its license as inexpensive as possible. These include agreements, (1) that all InterNACHI members are covered as well as all new members that sign up at www.nachi.org/homesafe-application.htm, (2) that those that purchase InspectAll Insurance from Williams Adams & Associates are covered, www.inspectallins.com, (3) that those that lease or finance equipment purchases through Infrared Equipment Financing Co., www.irfinancing.com, are covered, and (4) that those that wish to license from HomeSafe can do so by calling 662.281.8300.

- **HomeSafe's patents are not invalid based on prior use of infrared cameras.**

The existence of infrared cameras and their use prior to the HomeSafe patents does not affect the patentability of the process that HomeSafe has patented even though it uses existing infrared technology in said process.

As the United States Code states, patents, including process patents, are valid, and process patents that use an existing device or piece of equipment are not invalid based on a claim that the equipment existed prior to the patent. *35 U.S.C.A. § 101, Inventions Patentable; Howes v. Great Lakes Press Corp.*, 679 F.2d 1023, 1029 (2nd 1982). The US Supreme Court said it very plainly:

That a process may be patentable, irrespective of the particular form of the instrumentalities uses, cannot be disputed... **The machinery pointed out as suitable to perform the process may or may not be new or patentable...**

Diamond v. Diehr, 101 St. Ct. 1048, 1055 (1981)(*emphasis added*).

HomeSafe disclosed to the U.S. Patent office the existence of infrared camera use in numerous situations. These items of "prior art" were carefully considered by the USPTO and found to not prevent the patentability of HomeSafe's new processes or their use. Please see our patents and the prior art listed at <http://www.uspto.gov/patents/process/search/>. HomeSafe's patents include but are not limited to:

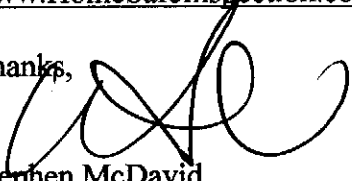
Patent No. 7,445,377
Patent No. 7,385,483
Patent No. 7,434,990
Patent No. 7,271,706
Patent No. 7,429,928
Patent No. 7,369,955

Again, HomeSafe is not in the business of litigation. When we recently were forced to file a suit against an infringer, we were immediately approached by InterNACHI to structure a deal that would cover all

its members. We, in turn, immediately dismissed the action and reached a fair agreement with InterNACHI. We hope that we can avoid litigation in the future, but we are required to sue those that infringe on our patents.

For more information about HomeSafe or its patents, please call 662.281.8300, email McDavidLaw@HomeSafeInspection.com or review the HomeSafe website at www.HomeSafeInspection.com.

Thanks,



Stephen McDavid
General Counsel