

EVERLERT, INC.

An Emerging Player in Mail Management, Delivery, and Security

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March 5, 2014

EVERLERT, INC. (OTCPK - EVLI - \$0.25)

Price Target: \$1.15

Rating: Speculative Buy

COMPANY SNAPSHOT

Through its Totalpost Services, Inc. subsidiary, Everlert, Inc. is one of the most prominent providers of quality ink cartridges in the U.S. postage meter industry. Totalpost's brand and reputation is expanding into other highly profitable business markets such as mailroom equipment, mailroom services, returned mail recycling, disaster planning and recovery for the mail recovery functionality for companies, and its Forensic and Security Division for representation of its line of forensic and security x-ray scanning equipment.

KEY STATISTICS

Price as of 3/4/14	\$0.25
52 Week High – Low	\$2.00 – \$0.1322
Est. Shares Outstanding	183.6M
Market Capitalization	\$45.9M
3 Mo Avg Vol	104,000
Exchange	OTC:PK

COMPANY INFORMATION

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INVESTMENT HIGHLIGHTS

Leveraging the success of the model and brand of its sister company in Europe, newly traded Everlert, Inc. is poised to emerge as a leading player in the multi-billion dollar mail management and digital delivery industry. Given the strong domestic demand for its products, Everlert has already proven that the Totalpost model is replicable throughout the U.S. via Everlert and could exceed the success of its U.K.-based sister company.

The Company's innovative and diverse product offerings provide a unique edge compared with other suppliers. These offerings range from typical mailroom equipment and services to critical functions such as disaster planning and recovery and even x-ray cabinet security screening for mailroom and high profile commercial buildings.

Everlert primarily sells and distributes products produced by its sister company, Totalpost™, one of the only manufacturers and suppliers of high quality remanufactured and compatible postage ink cartridges and ribbons that are US Postal Services approved.

Seeing an opportunity in the screening space, Everlert will soon market a flat x-ray digital forensic screening device targeting the medical examiner market to increase the efficiency and effectiveness of autopsies.

With an inherent advantage due to the Totalpost structure, brand and model, Everlert could generate tens of millions in revenue in the next 2-3 years. Continued market penetration and the introduction of new products should drive these shares toward its 52-week high of \$2.00. For the near term, we rate shares Speculative Buy with a \$1.15 price target.

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COMPANY OVERVIEW

Everlert, Inc. primarily operates through its subsidiary Totalpost Services, Inc. which manufactures and sells postage meter ink cartridges, various remanufactured postage ink and toner products, x-ray screening security systems, digital forensic screening systems and other postal related goods and services. The Company was founded in 1998 and is headquartered in Monrovia, CA. Totalpost primarily conducts business through the wholesale retailer and distributor channel.

Everlert, via its wholly owned subsidiary (Totalpost) has already achieved top-line success and growth by leveraging the success of the model and brand of its sister company in Europe. The European entity provides high quality offerings and business processes which are critical to Everlert's success and has enabled the Company to replicate the already successful model which generates meaningful sales abroad. Moreover, given the size of the market, and the strong domestic demand for its products, Everlert could soon exceed the success of its U.K.-based sister company.

MARKET OVERVIEW

Even with the advent and growth of the internet and digital business communication, the need for postal and related meter services and other traditional auxiliary products remains as vibrant and as strong as ever. For example, the U.S. Postal Service is the core of the \$1 trillion dollar mailing industry that employs more than 8 million people. In 2012, its revenue was \$65 billion dollars. Virtually all U.S. based businesses use a postage meter cartridge on a daily basis to fulfill their mailing needs. The postal meter industry is a \$4 billion industry globally, and nearly all U.S. businesses use postage meter cartridges on a daily basis to fulfill their mailing needs, creating a large demand for cartridges.

Figure 1 illustrates the leading OEMs that supply this industry for which Totalpost provides ink cartridges. Everlert provides cartridges compatible with all of the machines produced by these and other key players.

Company	Market Share (%)	Market Share (\$)
Pitney Bowes (NYSE - PBI)	77%	\$ 3,096,000,000
Neopost SA (NEO.PA)	17%	\$ 660,000,000
Francotyp-Postalia Holding AG (FPH.DE)	5%	\$ 200,000,000
Other	1%	\$ 44,000,000

Figure 1: Global Market for Postage Meters and Supplies

Other markets the Company serves include the mailroom consumables and security services, the postal letter market, Disaster Recovery Services, and digital screening and services.

- The global mailroom and consumables, mailroom security, and digital delivery communication services segments are over \$100 billion annually.

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- The postal letter market is \$56 billion annually worldwide.
- The mailroom Disaster Planning and Recovery Services market is estimated at \$7 billion annually.

Via its newly launched Totalpost Security Systems segment, Everlert plans to enter the x-ray security market for mailroom, high profile offices, and medical examiners' equipment. With strong leadership, a diverse offering and an opportunistic approach the Company is set to penetrate these robust industries beginning in 2014.

EVERLERT OFFERINGS

Figure 2 provides a detailed snapshot of the products and services offered by Everlert through Totalpost.

Product/Service	Description
<i>Postage Ink Cartridges</i>	Totalpost™ is one of the only manufacturers and suppliers of high quality remanufactured and compatible postage ink cartridges and ribbons that are US Postal Services approved. The nature of the Totalpost™ business model enhances a client's "Green Footprint" through the use of remanufactured ink cartridges.
<i>X-Ray Security Screening</i>	Totalpost Security Systems provides a complete range of cabinet X-ray security screening equipment designed to give the highest levels of X-Ray screening technology within a small cabinet.
<i>Digital Forensic Screening</i>	Part of the Totalpost™ Security Systems division, this X-Ray technology has been developed specifically for digital forensic screening, the FLATSCAN is a non invasive, efficient and extremely safe digital forensic screening device.
<i>Returned Mail</i>	Totalpost™ is a specialist provider of returned mail, data capture, and offers a simple, effective closed loop solution to the huge volume of waste created by large volume mailings that don't always reach their intended target. The service is tailored to the individual requirements of each client.
<i>Mailroom Business Continuity and Disaster Recovery</i>	The Disaster Management and Recovery business sector is a rapid growth area that represents significant revenue potential. Totalpost™ simplifies the execution of sending / receiving documents and files, and the secure storage of these documents and files, through the mailroom business system while utilizing the knowledge base and guidance of Totalpost™.
<i>Digital / Online Archival, Delivery and Retrieval</i>	Digital solutions for Delivery, Retrieval and Archival purposes that meets or exceeds all related compliance standards. Totalpost™ offers an online software as a service (SaaS) system that compliments its core existing business, while seamlessly migrating its clients into a technology solution. This emerging market segment offers significant complimentary solutions to clients while dramatically increasing profit margins for Totalpost™.

Figure 2: Totalpost Product/Service Summary

In addition to the products and services listed above, the Company currently has a joint venture with Registered Express (OTC: RGTX) and offers express online secure digital delivery and backup. Everlert/Totalpost is a leader in this emerging technology solution in a market which is estimated to be about \$25 billion globally per year. The customers utilize these services for Mailroom Disaster Planning, Management, and Recovery and include Fortune 500 companies, financial institutions, healthcare providers, colleges and universities, government agencies, and small businesses.

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EVERLERT OFFERINGS (cont.)

Totalpost Cartridges and Consumables



Image I. Totalpost Cartridges and Consumables

We should note that the Company's compatible mailroom market is a relatively new and emerging one that has serious potential. Totalpost has invested considerable capital to differentiate itself in this market and developed a six-tiered marketing strategy that includes the following:

1. Direct Sales
2. Vertical Market: Industry Specific Services
3. Advertising, Marketing and Promotion
4. Media Exposure
5. Web Site and Internet Presence
6. Social Media and Business Networks

Totalpost Security Systems

The Company's Totalpost Security Systems segment provides a complete range of cabinet X-ray security screening equipment designed to give the highest levels of x-ray screening technology within a small cabinet, as seen in the image above. These units are sold in three sizes with embedded or separate screens as required and fit neatly on a desk or for use within a small, freestanding space freestanding. Management believes that these x-ray screening cabinets provide the highest levels of image penetration and the clearest imagery available on the cabinet screening market and are in heavy demand by mailrooms, government buildings high profile office buildings, prisons, etc. These units are used to screen and inspect parcels, letters, baggage, mobile phones etc.



Image II. X-Ray Cabinet Screening

EVERLERT, INC. (OTCPK - EVLI)**EVERLERT OFFERINGS (cont.)****FLATSCAN Forensic Screener**

While it is easy to see why the x-ray device is a great addition to the Company's product line, the FLATSCAN Forensic Screener is a targeted and opportunistic market play with limited competition as it provides fast, high penetration digital forensic screening at a fraction of the cost of comparable CT scanning equivalents. The FLATSCAN is a non-invasive, efficient and extremely safe digital forensic screening device for creating medical coroners reports, establishing cause of death in a non-intrusive manner, and gathering evidence in criminology.



Image III. FLATSCAN Forensic Screener

The device is a completely sealed X-Ray unit for added safety and to allow extended usage and the speed and accuracy provided by the FLATSCAN results in extremely accurate and swiftly conducted autopsies. Moreover, detailed and precise imagery is produced from the very clear scans leading to more accurate autopsy outcomes. The images are captured through the acquisition of Digital Flat Panel High resolution technology.

EVERLERT, INC. (OTCPK - EVLI)**THE EVERLET EXECUTIVE TEAM**

The top brass at Everlert includes two seasoned and proven leaders with many decades of experience in related industries from postal metering, corporate finance, accounting, real estate, software development, technology, health care and venture capital. Development of the critical skills of public company management, product development, services development, distribution, postal technology, and mass marketing have been acquired and honed by management.

Robert L. Hymers III – President and CEO

Mr. Hymers was the leader behind the acquisition of Totalpost by Everlert. He has a wealth of knowledge and background in strategic financial management and corporate finance exemplified by his history of consultation and C-level roles in turning around several midsize entertainment businesses through creative reorganization and structuring. He has also been a key player in several multi-billion dollar merger and acquisition deals where he further utilized his structuring acumen. In addition, he worked as a CPA for Ernst & Young in the company's tax and audit division for over five years. Finally, Mr. Hymers obtained his Bachelor of Science in Accountancy and a Master's of Science in Taxation from California State University, Northridge.

John Taylor - Director

Mr. Taylor hit the ground running as he started his own real estate development firm right out of college that specialized in residential and commercial design and building where he acted as the licensed general contractor. After he sold this business he worked as an Owner's Representative as a consultant on numerous multi-million dollar construction projects for several years. In the mid 1990's Mr. Taylor was a pioneer in forming one of the first internet entertainment companies, Aspyre Internet Group. He has served as CFO of American IR Technologies and co-founded Registered Express Corporation and took the company public in 2009. His duties have included overseeing the development of the system, network and software and business operations.

Christian B. Chahine – Vice-President, Sales & Marketing – Totalpost Security Systems

Christian brings more than 25 years of global sales and executive management experience, growing and scaling both emerging and Fortune 500 companies. Christian served as Principal Consultant for various technology companies, recently with Astrophysics Inc., a leading manufacturer of x-ray equipment for diverse security applications.

Prior to his tenure at Astrophysics, Inc., Mr. Chahine served as the Vice President of European Sales at Wicab, Inc. for several years and prior to that as the Managing Director of MDT (Medical Device Trade) Consulting Ltd. Over the last 18 years Mr. Chahine has held a number of commercial and functional positions in the medical manufacturing sector in the US and Europe.

Additionally, Mr. Chahine has extensive experience in the healthcare industry, having served as Head of the Respiratory division of Clement Clarke International Ltd., in England and as the Division Manager of EMA with Becton Dickinson (BD) of the Diabetes, Home Health Care and Sample Collection divisions, based in France and then England. Before moving to France in 1993, Mr. Chahine served as the Sales & Marketing Manager for Europe at LSP (Life Support Products Inc.). Mr. Chahine has a BA in Economics from Lafayette College in Easton, Pennsylvania and an MBA in Finance and Management from Loyola University in New Orleans, Louisiana.

EVERLERT, INC. (OTCPK - EVLI)**RISK FACTORS**

In our view, much of the potential risks to the Company's success are mitigated by the Everlert/Totalpost model and structure, which has a history of success abroad and has been replicated early on in the U.S. As a result, we believe that the biggest risk factor in Everlert's success is merely the execution risk associated with emerging growth companies that offer high-quality, and solidly branded products. Other risks include the possible delays or difficulties in penetrating new, non-traditional markets for the company such as those in the security space. Penetration may take time and education may have to be borne by the Company and customers alike. This risk is common with new initiatives regardless of a company's size or experience. Although competition from larger firms or even from newer entrants with similar approaches could become serious threats, the lead time it has versus others plus its existing model should largely insulate Everlert from its rivals.

CONCLUSION

Leveraging the success of the model and brand of its sister company in Europe, newly traded Everlert, Inc. is poised to emerge as a leading player in the multi-billion dollar mail management and digital delivery industry. Given the strong domestic demand for its products, Everlert has already proven that the Totalpost model is replicable throughout the U.S. via Everlert and could exceed the success of its U.K.-based sister company.

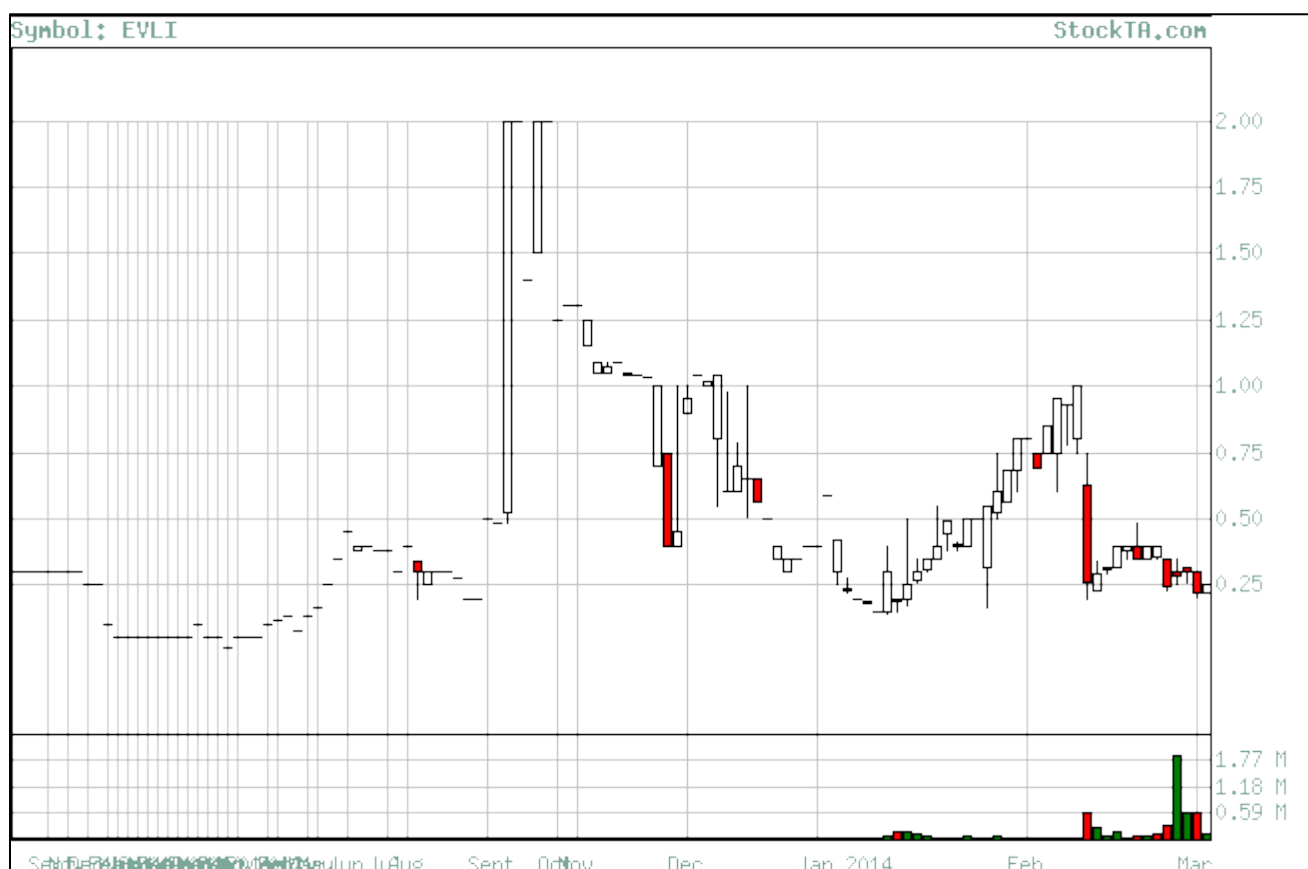
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Recent Trading History For EVLI

(Source: Stockta.com)





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Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

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