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REFR joins Ailouros' list of bogus penny-stock deals, reports Asensio & Company.

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Research Frontiers Incorporated (NASDAQ: REFR) (Price: \$17.30) has an ongoing agreement with Ailouros Ltd., which REFR described as a "London based institutional money management fund" that had a "significant long-term commitment" in REFR's future.

The above statements may lead investors to believe that Ailouros is a large well-funded "legitimate" institutional investor. The facts about Ailouros' background and the terms of the agreement between Ailouros and REFR reveal a very different and darker story.

Ailouros is a private offshore company incorporated in "Antigua and Barbuda." We found no record that Ailouros is registered with the Financial Services Authority, the UK's SEC equivalent, as an investment or commercial bank, fund manager or investment company. We have no information that shows Michael Katz, the managing director of Ailouros (which is the Greek word for "cat") or Ailouros are engaged in any "London based institutional money management fund." We found no record of Ailouros at the Companies House, UK's company registrar, of any "London based" business under the Ailouros name. However, public records do show that Ailouros has engaged in a series of questionable transactions with ten U.S. public companies.

All Ailouros' ten known transactions involved private offshore stock placements and insider selling before the bogus stock promotions caved-in. Of Ailouros' ten known deals, excluding the current REFR deal, five are trading below \$0.12 per share, one for \$0.48, one for \$2.12, one was acquired 3 years after Ailouros bought 16,294 shares and the last has been suspended from trading. They are Response USA, Inc. (NASDAQ: RSPN) (Price: \$0.01), Harvard Scientific Corp. (NASDAQ: VGEN) (Price: \$0.011), Eat At Joes Ltd. (NASDAQ: JOES) (Price: \$0.031), American Biomed, Inc. (NASDAQ: ABMIQ) (Price: \$0.0001), Socket Communications, Inc. (NASDAQ: SCKT) (Price: \$2.14), Image Power, Inc. (CDNX/Canadian: IPZ) (Trading Status: Suspended), Lahaina Acquisitions, Inc. (NASDAQ: LAHA) (Price: \$0.48) and Affinity International Travel Systems, Inc. (NASDAQ: AFFT) (Price: \$0.06). Ailouros acquired a small number of shares in Roberts Pharmaceutical Corporation as part of a private placement in 1996. Michael Katz is a common name. We found numerous SEC disclosures under this name that we believe are for different individuals, some of which are also questionable. We found two (2) other defunct companies in London that we believe are related to the Ailouros leader named Michael Katz.

The agreement between Ailouros and REFR is for REFR to sell stock to Ailouros privately. It requires REFR to file and maintain a shelf-registration statement so that Ailouros can immediately sell any REFR shares it buys to the public in the open market sales. In other words, the agreement covers the private sale of unregistered REFR stock to a highly questionable unregistered, unregulated private off-shore buyer, controlled by one individual with no known affiliation to any established investment firm. The agreement allows Ailouros to freely "dump" its secretly obtained shares on the U.S. market without disclosing to the buyers that Ailouros is the seller.

Asensio & Company believes REFR shares are worth less than \$1 per share and expects the shares to trade for less

than \$1 per share soon.