

June 06, 2002

Update on our Research Frontiers forecast

Attached is a copy of **our letter dated June 4, 2002 to Research Frontiers Inc.'s** (NASDAQ: REFR, Price \$12.51) Board of Directors. The letter reiterates our position concerning Research Frontiers' stock and its earnings potential claims. We initiated coverage on Research Frontiers on June 15, 2001. Research Frontiers' stock was \$27.90 on that date. Last week Research Frontiers stock traded at a low of \$11.09. The attached letter advises Research Frontiers that our opinion has not changed and that we still believe Research Frontiers stock is worth less than \$1 per share. The letter further notifies Research Frontiers' Board of Directors of Asensio & Company, Inc.'s opinion that its management is excessively and inappropriately promoting Research Frontiers' stock by disseminating highly questionable investor representations and using irregular securities transactions to extract gains from those misrepresentations.

During the last 15 years, since Research Frontiers began selling stock to the public, Research Frontiers has repeatedly issued, sometimes in identical form, the same promotional "hype" concerning the earnings potential of its unproven 60-year-old product concept. During this same unprofitable period, management has taken large amounts of cash compensation and Research Frontiers has almost constantly sold stock thereby taking advantage of the "hype" affected stock price and the volume created by the questionable promotional activity. Asensio believes Research Frontiers shares are grossly overvalued and are worth less than \$1 per share and expects the shares to trade for less than \$1 per share soon. The firm and its clients have a short position in Research Frontiers shares.

In our opinion Research Frontiers illustrates a fundamental problem with the securities industry's self-regulation. We believe that the mere fact that the NASD has not delisted Research Frontiers or commenced an action against Research Frontiers' stock promoters adds undeniable but wrongful credibility to this penny-stock scam with an uninterrupted 36 year record of absurd promises and total commercial failure.

Asensio & Company, Inc. is actively engaged in short selling. The firm only advises private institutional clients. It publishes research on securities it believes are overvalued. A complete documented history of Asensio's published work with short-selling transactions, and the firm's definition of gross overvaluation, is available on the Internet at www.asensio.com. Short selling involves a risk not associated with the purchase of stock including, but not limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.

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June 4, 2002 (Amended)

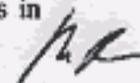
Board of Directors
Research Frontiers Incorporated
240 Crossways Park Drive
Woodbury, NY 11797-2033
Attention: Victor F. Keen, Secretary

Dear Directors:

Please be advised that Asensio & Company, Inc.'s opinion concerning Research Frontiers Incorporated's ("REFR") stock promotion and its management has not changed. Your management continues to claim that REFR possesses a commercially valuable technology. In fact, management was promoting REFR to investors even when its stock price was almost 3 times its current and still inflated price. Our opinion is that REFR has no valuable technology, that REFR's alleged products have no sales or earnings potential that remotely approximate management's claims, and that REFR's sole activity is the perpetuation of a fraudulent micro-cap stock promotion. The detailed basis of our opinion is disclosed in earlier letters to you dated June 14, 2001 and November 15, 2001. We estimate REFR's stock to be worth far less than \$1 per share.

REFR has traded 22,993, 17,767 and 16,089 estimated actual average shares per day in the latest 30, 60 and 90 day periods, respectively. During these same time periods there have been 4,881, 8,412 and 12,515 postings on REFR's Yahoo! Finance message board. A vast majority of these have reiterated the company's stock promotional statements.

We believe that the above number of stock promotional postings on REFR's Yahoo! Finance message board is totally and grossly out-of-line compared to other public companies with comparable trading volume and total capitalization. We compared the number of REFR postings to the postings of seven companies with very similar average volume and market capitalization as REFR. This analysis revealed that REFR had over 500 times more messages posted on its Yahoo! Finance message board than these other comparable companies. Astonishingly, REFR had 58,077 postings on its message board in the latest twelve month period versus an average of just 195 for the seven comparables. We believe these posters are not independently promoting REFR. The nature of the postings is almost identical to REFR management's stock promotion claims and its position concerning short sellers. We believe this is not a coincidence and that REFR is causing these postings in hopes that they will assist REFR in perpetuating its stock promotion scheme.



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A number of these REFR postings refer to short sellers and promote the idea that REFR's short-sellers are dishonest, misinformed and wrong. Some of these postings refer to Asensio & Company, Inc. These postings contain false and defamatory statements about our banking firm's regulatory compliance and do not correctly reflect the analysis contained in our 12 letters to REFR's Board of Directors and 14 published REFR research reports. Asensio & Company, Inc. has never had a single customer complaint, has never retracted a single statement, and has never been charged or accused of, much less found responsible for, any illegal act by any state or federal securities regulator.

Please be further advised that Asensio & Company, Inc. rates REFR's stock a "terminal short." This rating implies that we believe beyond a doubt that REFR can not possibly create any value approaching even 10% of its current stock price. Asensio & Company, Inc. has issued short sell recommendations on 27 companies. In our opinion, 15 of these companies were "terminal shorts." Several companies that Asensio & Company, Inc. has rated "terminal shorts" are now well-known as stock frauds such as Able Telecom Holding Corp., Computer Learning Centers, Diana Corporation, Solv-Ex Corporation, Turbodyne Technologies, Inc. and Winstar Communications, Inc.

We suggest you investigate the relationship between REFR's management and the well-known stock promoters who help them sell stock to the public. REFR was the subject of a promotional article in the May/June 2001 issue of Equities titled "Moment of Truth" by Sal Nuccio. Mr. Nuccio has also been an "analyst" at Dirks and Company, Inc. engaged in the promotion of penny-stocks. In the article Equities columnist Robert Archer states he invested in REFR and attested that profits "from this single stock have changed my life." Robert Flaherty, the editor of Equities, published a "Special Situations" report, number 493 dated July 2001, specifically about REFR. In it he wrote that the, "Management of Research Frontiers has always operated an efficient and well-run company." REFR has a 36 year record of uninterrupted commercial failure. Mr. Flaherty has in the past championed two of our best known "terminal shorts," Chromatics Color Sciences International, Inc. and Hemispherx Biopharma, Inc.

REFR is also engaged in quarterly stock transactions with Ailouros, Ltd. Ailouros has been involved in a series of private offshore stock placements in bogus stock promotions. An Asensio & Company, Inc. survey found that of ten known Ailouros deals, excluding the current REFR deal, five were trading below \$0.12 per share, and one for \$0.48. Despite REFR's description of Ailouros as a "London based institutional money management fund," we found no evidence of a "London based" business under the Ailouros name.

We have never changed our rating on a "terminal short." In order to merit a "terminal short" rating Asensio & Company, Inc. must possess credible information that in our opinion shows a public company is both purposefully disseminating material positive information that is false and is repeatedly selling stock through questionable transactions without specific



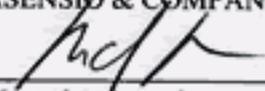
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disclosures to the investing public. We believe we have a well-documented record of REFR's 36-year-old stock promotion that includes private offshore below-market stock sales to questionable individuals and firms, excessive unjustified insider compensation, insider stock sales, and repeated failure to meet exaggerated earnings potential claims.

Again we request you issue a statement acknowledging that REFR has made false claims and does not have the earnings potential it has promoted to investors. We also request you disavow the false and defamatory statements REFR's "posters" are disseminating about our investment firm.

Sincerely,
ASENSIO & COMPANY, INC.



Manuel p. Asensio
Chairman, President and
Chief Executive Officer

cc: Robert L. Saxe
Chairman, Treasurer and Chief Executive Officer
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