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December 20, 2001

***Asensio's nine (9) page letter to REFR dated June 14, 2001.***

**VIA FACSIMILE # (516) 364-3798**

June 14, 2001

Board of Directors
Research Frontiers Incorporated
240 Crossways Park Drive
Woodbury, NY 11797-2033
Attention: Robert L. Saxe

Dear Directors:

Asensio & Company, Inc. ("Asensio") is a member of the National Association of Securities Dealers, Inc. and is registered with the U.S. Securities and Exchange Commission as a securities broker-dealer and investment bank. Asensio specializes in corporate valuations and equity research. Asensio also specializes in researching public companies with no reasonably evident assets, revenues, earnings potential or industry comparables that explain its valuation. If a company's market value is ten times or more in excess of our most optimistically calculated fair, reasonable or comparable value, Asensio may initiate coverage of the publicly traded shares of the company's common stock with a Strong Sell and Short Sell recommendation. Asensio and its clients may short sell or purchase shares of these companies at any time before or after the firm initiates research coverage.

We believe that Research Frontiers Inc. ("RFI") is engaged in a grossly misleading stock promotion. We believe this promotion is based on creating the belief among investors that RFI possesses some proprietary "light valve" technology, what it also calls "variable light control" or "suspended particle device" ("SPD") that has enormous potential value. We believe RFI has created this value belief among investors by claiming that there exists a large demand for a wide array of SPD products that will generate enormous product sales by companies that license its so called SPD technology. We have found no evidence to indicate that SPD is cost effective or that any material sales will ever happen.

In fact, RFI has been making these claims for over 35 years and has never sold a single product. Furthermore, we have found clear evidence that SPD is inferior to its competitors, most of which are themselves, small and immaterial operations. We firmly believe that SPD is fundamentally useless and that there is no value to RFI's SPD technology. We also believe that throughout its profitless 15-year history as a publicly traded company, RFI has repeatedly released material statements that seem intended to mislead investors about the future sales and earnings potential of the company's product.

We believe our information to be complete and accurate. We haven't found any other information to cause us to doubt the above assessment. We found nothing except the above sales potential representations that explain RFI's $300 million-plus market capitalization. The following are some of our findings:

RFI was founded in 1965 and went public in 1986. Its alleged business has been solely the development of SPD for the following potential applications (according to an RFI promotional document dated May 8, 2001): architectural windows, skylights, and interior partition walls; automobile windows, sunroofs, sun visors, rear-view mirrors, instrument panels, and navigation systems; aircraft windows, hatches, cabin dividers, instrumentation, cockpit sun visors, cockpit displays, and pilot helmet systems; eyewear for sunglasses, sports goggles, ski goggles, motorcycle helmets, and space suits; computers, PDAs, beepers, cellular telephones, televisions, hand-held computer games, signage, and projectors. Neither RFI nor any licensee of RFI's technology has ever sold a product based on RFI's SPD technology for any of the potential applications promoted by RFI. In fact, RFI has never posted any revenues other than de minimus and questionable licensing fees for its SPD technology.

1. Over its 15-year history as a public company, RFI has made the following claims regarding the always imminent commercialization of its SPD technology:

   July 8, 1986 (IPO Prospectus): "The Company and the Company's light valve technology are being evaluated by The Dow Chemical Company, Asahi Glass Co., Litton Systems Canada Ltd. and Polaroid Corporation to determine the feasibility of incorporation of light valves into products which may be produced by them.

   (RFI Prospectus dated December 17, 1991): "The Company entered into a license agreement with Litton Systems Canada Limited effective as of December 30, 1986. Pursuant to that agreement the Company granted a worldwide license to Litton for display products to be used in military and avionics applications."

   March 8, 1989 (New York Times): "RFI has successfully tested 'electrically controllable variable light transmission sunglasses.' [RFI President Robert] Saxe hopes that non-prescription lenses will be on the market in two years."

   June 13, 1991 (PR Newswire): "RFI announced the development of a film form of its proprietary liquid suspension technology by which the transmission of light can be controlled electrically… 'We are hopeful that the film will be ready for commercial application next year,' Saxe concluded."

   April 30, 1992 (PR Newswire): "RFI licensee the Japan Steel Works, Ltd. has installed a wall of electrically operated, variable light transmission 'smart' windows in its new office building near Tokyo…. 'The Japan Steel Works has reported using the demonstration wall of 'smart' windows to assess the long-term durability of the product and to solicit opinions on the use of such windows from construction and design engineers who are prospective customers,' Saxe added."

   June 21, 1993 (Forbes): In a story about RFI titled "Blood, Sweat and Determination": "Litton Systems Canada, a division of Litton Industries, has paid $600,000 in advance royalty payments to license RFI's glass technology for use in avionics and some military applications."

June 13, 1994 (Automotive News): "[RFI licensee] Glaverbel has not yet sold the [SPD-based self-dimming rear-view mirror] system to a European car maker, although the company says it is close."

September 25, 1995 (Business Week): "Saxe expects one of the [SPD] licensees to market a product next year using the technology."

February 1997 (Business Journal): "Saxe doesn't foresee a profit in 1997 but believes it is possible next year."

February 24, 1997 (Business Wire): "RFI Receives Favorable Interpretation from U.S. Dept. of Transportation Regarding SPD Automotive Rear-View Mirrors and Initiates Negotiations with Major Tier-One Automotive Suppliers"

April 24, 1997 (Business Wire): "Korea's largest flat glass company, Hankuk Glass Industries Inc., expects to demonstrate this year the commercial feasibility of a wide variety of products using Research Frontiers' SPD technology. Hankuk plans to commercialize a wide range of SPD products and to establish new production facilities next year."

December 1997 (Popular Mechanics Tech Update): "Expect to see the new [RFI SPD] windows at dealer showrooms next year."

September 6, 1999 (The Wall Street Transcript): "Mr. Saxe: 'We believe that there's a very good chance that in the near future a variety of SPD products could be manufactured and marketed.' "

January 17, 2000 (Dow Jones News): "President Robert Saxe said it's a 'strong possibility' that one of the company's licensees will launch a commercial product in the next 12 to 18 months."

October 27, 2000 (Long Island Business News): "Michael LaPointe [RFI's director of marketing for windows and displays] said he is 'personally confident that products will be out in 2001… it's really up to our licensees.' Licensees have quoted pricing and other information to their customers. 'That's a really good sign as far as how close we are,' LaPointe said."

May 5, 2001 (Chicago Tribune): "[RFI Executive Vice President Joseph] Harary says he expects SPD smart windows to be available in this country sometime before the end of this year."

2. Simultaneous to its imminent commercialization claims RFI has made the following claims regarding the supposedly successful development of its SPD technology:

March 15, 1988 (Business Wire): "RFI has successfully developed a prototype of a new type of low voltage flat panel display capable of high information content."

October 18, 1988 (Business Wire): "RFI has successfully tested the company's proprietary low voltage flat panel display with a powerful new thin fiber-optic backlighting system…. RFI expects to have a still brighter model available in early 1989."

December 3, 1991 (Business Wire): "RFI has developed a new type of liquid suspension for use in its proprietary light control device known as "light valves," which it believes has a response time fast enough for use in flat panel television sets. Attainment of video speed response time has been one of the company's most important research goals."

September 11, 1992 (Business Wire): "RFI has achieved one of its most important research goals, a low-haze film suitable for use in numerous products for the control of light."

January 13, 1993 (Business Wire): "RFI has achieved another important research goal, a low-voltage film suitable for use in numerous products for the control of light."

October 25, 1993 (Business Wire): "RFI expects to demonstrate high-information content active-matrix flat panel SPD displays in 1994…. These displays, which are intended for use in computers, televisions, telephones and other electronic instruments, will be demonstrated to the company's existing and potential licensees for these applications."

January 30, 1995 (Business Wire): "RFI has successfully developed with the collaboration of London's Imperial College of Science, Technology and Medicine a new type of flat panel display."

April 11, 1997 (RFI Shareholders Letter): "Hankuk has already developed a production process for manufacturing SPD film!"

December 17, 1998 (Business Wire): "RFI has produced and delivered a multi-gallon quantity of its new SPD film-making emulsion to its licensee, Material Sciences Corp."

March 15, 1999 (Business Wire): "A large-scale test conducted by MSC Specialty Films, Inc. to determine the coatability of the Company's SPD light-controlling film was successfully carried out at MSC's San Diego manufacturing facility."

In a Chicago Tribune article titled "Scientists see improved windows" dated May 5, 2001, RFI Executive Vice President Joe Harary describes SPD windows as "durable" and "relatively easy to make and apply."

3. Since July 6, 1990 RFI has promoted its relationship with Hankuk Glass Industries. The following is a list of publicly available statements concerning the planned production of SPD film and SPD products by Hankuk:

   July 6, 1990 (Press Release): "Research Frontiers enters into license agreement with Hankuk Glass Industry Co. for variable light transmission windows.

   June 21, 1993 (Forbes): "Blood, sweat and determination." South Korea's Hankuk Glass has paid good money to license the technology.

   November 3, 1995 (Press Release): Hankuk has been successfully developing SPD films for smart windows and has reached an advanced stage of development.

   April 9, 1997 (Press Release): "Korea's largest glass company enters into broad worldwide license agreement with research frontiers to utilize commercial process to make SPD film." The license permits the commercial sale of a wide variety of products including "smart" windows for use in homes and buildings and sunroofs for cars.

April 24, 1997 (Press Release): "Research Frontiers licensee [Hankuk] expects to commercialize SPD products and establish new production facilities next year." Hankuk expects to demonstrate this year the commercial feasibility of a wide variety of products.

July 28, 1997 (Press Release): "Research Frontiers and Hankuk Glass Industries introduce revolutionary "smart glass" technology for broad range of applications." RFI and Hankuk are debuting their innovative light control technology for the first time ever in the United States.

July 29-31, 1997- S.P.I.E Optical Instrumentation Show. The Hankuk/RFI booth was one of the most heavily visited booths in the entire exhibition, and attracted much media attention.

September 1997 (Optical Materials & Engineering News): "Users Control Light, Conserve Energy" Hankuk plans to establish new production facilities and commercialize a wide range of SPD products by 1998, including windows, skylights, rear-view mirrors, and sun roofs.

March 1998 (Automotive Engineering): "Smart glass controls glare; Hankuk Glass Industries to launch new glass products." Hankuk debuted their innovative light control technology and expect product to be available this year. Hankuk will establish production facilities this year to commercialize a variety of the products mentioned.

April/May 1999 (Research Profile): RJ Faulkner & Company: Hankuk Glass Industries has already announced publicly its intention to commercialize certain SPD products in the near future.

January 8, 2001 (Press Release): "Hankuk Glass Industries establishes separate business unit devoted exclusively to SPD film and products." Hankuk announced the formation of a separate subsidiary of Hankuk Glass Industries devoted exclusively to the mass production and sale of SPD light control film and a wide variety of end products using SPD film.

April 4, 2001 (Press Release): "Hanglas' SPD Inc. division announces product introduction timetable for SPD film and SPD end-products." In addition to supplying SPD film to Research Frontiers' other "end-product" licensees, under its license with Research Frontiers, Hankuk and its subsidiary, SPD Inc., can produce a wide variety of SPD end-products as well. SPD Inc.'s business plan outlines production of a variety of these products using SPD light-control technology, including SPD "smart" windows for automobiles, trains, aircraft, and boats, as well as for residential and commercial architectural window applications, appliances, optical filters, and flat panel information displays including large area displays such as scoreboards, road and traffic signs, digital clocks, and logographs.

April 9, 2001 (Press Release): "Hanglas' SPD Inc. division appoints new head of sales and marketing for SPD film and SPD end-products." SPD Inc. was recently formed as a separate subsidiary and is devoted exclusively to the mass production and sale of suspended particle device (SPD) light control film and a wide variety of end-products using SPD film, with shipments of both film and end-products to begin later this year.

April 12, 2001 (Press Release): "Hanglas SPD Inc. division expands production capacity and acquires new factory devoted to high volume production of SPD film and end products." SPD Inc. has acquired a new factory located in Inchon, Korea which will be dedicated exclusively to the production of suspended particle device (SPD) light-control film and a wide variety of end-products using SPD film. Construction of the new factory building has already been

completed, with high-capacity equipment expected to be installed, tested, and fully operational shortly. SPD Inc. expects mass production of both SPD film and end-products by this factory to occur this year.

April 30, 2001 (BusinessWeek Online): "This glass maker sees a window of opportunity." The article states, "This month, Hankuk announced ambitions to manufacture and sell globally 'smart windows'," and referred to SPD as a "new technology" and a "breakthrough."

4. We have found numerous media references to SPD's 35 year old technology as a "new" technology, including Popular Mechanics Tech Update (December 1997), Automotive News (April 9, 2001), the Chicago Tribune (May 5, 2001), and Red Herring (May 17, 2001).

5. In an article in Automotive News dated April 9, 2001 and titled "Window maker snags a new U.S. technology," Doug Nouse, vice president of marketing and business planning for RFI-licensee AP Technoglass, says, in reference to RFI, "They told us they hadn't even really thought about the automotive market." This comment is contradicted by the following:

   On March 3, 1994, RFI announced a licensing agreement with Glaverbel, S.A., regarding the incorporation of SPDs into automotive vehicle rear-view mirrors and sun visors.

   On June 13, 1994, an article about RFI and titled "Research Firm Has Bright Idea For Tinted Glass" appeared in Automotive News. The article stated, "All three domestic carmakers say they have looked at prototype self-dimming rear-view mirrors using this relatively unknown, light-valve technology. All are impressed."

   On April 29, 1996 a new licensing agreement was signed with Glaverbel that also included automotive vehicle windows.

   On January 20, 1997, RFI announced a licensing agreement with Material Sciences Corp. that includes the incorporation of SPDs into automotive vehicle rear-view mirrors and sun visors.

   On April 9, 1997, RFI announced a licensing agreement with Hankuk Glass Industries Inc. that includes the incorporation of SPDs into automotive vehicle sunroofs, windows, rear-view mirrors and sun visors, among other potential end-products. The RFI announcement further stated: "Another prototype developed is an SPD variable light transmission sunroof for cars. This sunroof prototype demonstrates the ability to use SPD film on curved surfaces."

   On December 6, 1999, RFI announced a licensing agreement with Global Mirror, GmbH regarding the incorporation of SPDs into automotive vehicle rear-view mirrors and sun visors.

   A Long Island Business News article titled "Likely worth the wait" dated December 31, 1999 stated, "Auto manufacturers can use "smart" glass in roof, mirrors and visors, but not windshields to avoid opacity if power is lost."

   The corporate directory in RFI's year 2000 annual report lists John N. Tobias as Director of Automotive Marketing.

   According to a Dow Jones Newswire article titled "Research Frontiers sees possible product launch in 12-18 mos." dated January 17, 2000: "Windshields are not an [application] option because current laws require windshields to filter only 30% of ultraviolet light."

The Automotive News article continues, "AP quickly enlightened the high-tech firm with one word: sunroofs." This comment would seem to be contradicted by the following:

An article about RFI in The New York Times dated March 8, 1989 and titled "Through a Glass Darkly (Or Perhaps Not Darkly)," states, "The technology may be adapted to… automobile sunroofs."

On April 9, 1997, RFI announced a licensing agreement with Hankuk Glass Industries Inc. that includes the incorporation of SPDs into automotive vehicle sunroofs, among other potential end-products.

There is a photograph of a man holding a sunroof on the Product Demonstration page of the Research Frontiers website.

The standard language used to describe SPD in your current press materials states, "In automotive vehicles, SPD-smart products can include windows, sunroofs, sunvisors, rear-view mirrors, instrument panels and navigation systems."

According to an article about RFI in Automotive News dated June 13, 1994, "On the dark side, there are two problems associated with these devices that competing technology companies like to point out: First, they generally require voltages significantly higher than automotive 12-volt systems to operate. But advocates of the suspended particles point out that relatively inexpensive circuitry can provide the needed voltage boost. The second problem is power failure. The system defaults to the dark tint, which could cause a problem at night with both vehicle windows and mirrors. Saxe believes that either a backup battery system or robust, no-fail design could prevent failure and still keep costs down."

6. On March 22, 2001, Inspectech Aero Service, Inc. announced that it had acquired from RFI a license to produce aircraft windows using SPD technology. Inspectech has previously been involved in distributing parts for aircraft cooling systems and has not been in the business of selling aircraft windows. According to the U.S. Business Directory, as of June 1, 1999, Inspectech had 9 employees and sales of $500,000-$1 million.

   GE Plastics has been an RFI film licensee since 1995. GE Plastics is a leading manufacturer of aircraft windows. According to a Newsday article titled "A vision of profits- Robert Saxe and his 34-year quest to commercialize light-controlling glass" dated July 19, 1999, "GE Plastics, however, let the license gather dust. Saxe said GE has recently regained interest but a GE Plastics spokesman had no information on the contract."

   Inspectech Aero and RFI are promoting to investors the profit potential of converting aircraft window shades from something simple and unquestionably effective to something new, unproven, questionable, and highly complex.

7. The following analysts have issued highly questionable favorable reports on RFI:

   Robert Acker, The Acker Letter

   Lou Ambio, Falling Short

Terry J. Dunlap, Jr., Summit Research & Consulting (Target Stock Price: $416-$485 per share)

R. Jerry Faulkner, RJ Faulkner and Company

Norbert A. Hochschartner, New Analysis Highlights

Lawrence Oakley, Conservative Speculator

George Southerland, Special Investment Situations

Sterne, Agee & Leach, Inc.

J Taylor, J Taylor's Gold, Resource & Environmental Stocks

Of these, RJ Faulkner, J Taylor, and Summit Research state in their RFI reports that they are compensated by the companies upon which they report.

8. Business Week writer Gene Marcial's Inside Wall Street column dated September 25, 1995 refers to an August 2, 1995 price spike in RFI shares from $8 1/4 to $13 5/8: "The reason? [RFI] announced an agreement licensing GE to make films incorporating the company's proprietary technology in electronically operated light-control devices. Some corporate insiders were quick to sell after the leap. But some pros have stayed on. Why? They sniff a takeover. 'There were big-block buyers of the stock, and I suspect one of them was GE,' says Ignatius Teichberg, editor of Teichberg's Market Strategy… He thinks GE is accumulating Research shares. 'I don't think GE will stay a passive partner,' says Teichberg, who first recommended the stock when it was at 4 7/8. He says: 'Ultimately, GE will buy the company, which is worth 25 in a buyout.' "

9. An article titled "Suspended-Particle Devices written by Robert Saxe and Robert Thompson that appeared in Information Display (April/May 1996) states that you "presently use particles in our suspensions that have a dark blue color. A new type of particle having a black color is another R&D objective."

   On May 28, 1998, the company issued a press release titled "Research Frontiers invents black-colored particles for use in variable light transmission smart windows, flat panel displays, eyeware and other products." The release stated: "In the past, particles used in SPDs generally looked dark blue in color when the device was in its "off" state because the particles did not absorb blue light well, although other colors were absorbed effectively. The new particles look nearly black because they absorb light well throughout the entire visible light spectrum."

   On June 10, 1999, the company issued a press release titled "Research Frontiers gives shareholders at annual meeting a "Road Map" outlining company goals for the coming year." The release stated the you were "Continuing a variety of efforts to develop black or gray particles for use in fast SPD film for flat panel displays and other products, and to further improve the durability and cost-effectiveness of SPD film using its existing particles."

   On June 29, 1999, the company issued a press release titled "Research Frontiers grants license to Dainippon Ink and Chemicals to manufacture and sell emulsions for making variable light transmission films for SPD light-controlling film." The release stated: "At

present, the off-state color of SPD films is dark blue. In the future, however, such as black or gray may become available if Research Frontiers or DTC develops new types of particles that are substituted for the current particles. As the world's largest producer of organic pigments, DIC is in an especially good position to develop such particles and to thereby greatly expand the potential markets for SPD films and products."

An article in Newsday titled "A vision of profits- Robert Saxe and his 34-year old quest to commercialize light-controlling glass." dated July 19, 1999 stated "And the color remains a problem: Eyewear makers and computer display manufacturers insist the glass should be black when dark."

In addition, a Chicago Tribune article dated May 5, 2001 titled "Scientists see improved windows" stated "In darkened mode, the glass appears a very dark blue (Chicago Bears Blue) with lighter tint levels having a slightly blue cast."

10. In regards to competing technologies, Mr. Saxe states in the Wall Street Transcript dated September 6, 1999, "We believe that SPD devices will be the most cost-effective." According to the SPD Technology Special NGA Show 2001 Update published by RFI, your unnamed glass-industry licensee's projected price point for SPD windows is $15 to $30 per square foot. This claim was repeated by Mr. Harary in the Chicago Tribune dated May 11, 2001. According to a March 9, 2001 article at ABC News.com titled "Adjusting The View," Steve Selkowitz, head of window and building technologies at the Lawrence Berkeley Laboratories, in Berkeley, CA, calculates SPD windows costing around $100 per square foot.

11. The statement that if RFI licensees can capture one percent of the glass market, RFI would receive $100 to $200 million annually in royalties has been made in a July 19, 1999 Newsday article, twice in Business Week (October 18, 1999 and April 30, 2001), in the Long Island Business News (October 27, 2000), and in analyst reports from Sterne, Agee & Leach (June 23, 1997) and J Taylor (January 5, 1999).

All of these questionable promotional statements were disseminated through the press, business wire and communications to investors. These statements have caused over 10,000 investors (according to RFI's own 10-K disclosure concerning its estimated number of shareholders) to buy RFI's stock. During this period, RFI insiders have been granting themselves options, exercising these options and selling their shares into the public markets.

Sincerely,

Asensio & Company, Inc.

Manuel P. Asensio
Chairman, President and
Chief Executive Officer