

# EXHIBIT

# A

5/5/2008

RB: Richard Bistrong

MM: Marc Morales

DA: Daniel Alvarez

Start: 1D86 - 14:40 & 1D99 - 15:27 (video)

RB: So what kind of a.... what kind of guidance or restrictions does, does Allied give you in terms of like, cause I dealt with this a lot at Armor, in terms of end user commissions and how the agents are working? How do they...

MM: You mean what I can pay a rep?

RB: Yea, what you can pay a rep.

MM: I have to get whatever agreement we have with them vetted, but I always, I always have ways around it, whether it is writing a scope of work for 'em, to a company, there's always ways to getting around it. I mean nobody wants to violate the FCPA, so we'll start there, but everybody knows it happens.

RB: Right.

MM: So...

DA: These shrimp are really delicious right now.

MM: There's a...

RB: So how does... when you say everybody knows it happens, it's just kinda built into the deal?

MM: Yea. Right now, I guarantee, (laughs) I guarantee they are in Georgia.

DA: Oh, we, we all know that, I think everybody at this table knows that.

RB: Right. I think its more than a guarantee.

DA: But you know what, it is not on our side.

MM: Right, so, and that's a way to get around it.

RB: In terms of?

MM: Making people happy. Making them feel better about it.

RB: See at Armor we didn't, you know, the attitude was, and I'm curious to hear what Allied's attitude is, it was sort of, somewhere between don't ask, don't tell and bury your head in the sand on that.

MM: We just try to be smart about it.

End: 1D86 - 16:16 & 1D99 - 17:03 (video)

Start: 1D86 - 19:05 & 1D99 - 19:51 (video)

RB: Yea. And what, you can't do that as a commission, you gotta do it as a scope of work?

MM: Hell no, that's a fifty percent commission almost.

End: 1D86 - 19:12 & 1D99 - 19:59 (video)

Start: 1D86 - 25:03 & 1D99 - 25:48 (video)

RB: What we were talking about before, 'cause I'm just trying to understand what the model is... so when these deals come up in Columbia and some other places...

DA: You get (UI)...

RB: ...with high commissions, you, you were talking about structuring contracts that, so these are not, like, high commissions, these are scope of work. I need to understand this Daniel... this is kind of new to me.

MM: Well, you need to explain to them the Foreign Corrupt Practices Act, I think that's number one.

RB: Okay.

MM: Explain to them that whatever you do, whatever you (UI)...  
(Musical echo)

MM: ...may potentially be scrutinized... by the U.S. Government...

RB: Okay.

MM: ...and more importantly, not only them, but you...

RB: Okay.

MM: ...(UI) can actually be banned from bidding any, you know, programs gettin'...

DA: So...

RB: So...

MM: So, you guys have to be creative on how you end up paying them...

RB: Okay.

MM: If they win a program... for example...

RB: Okay.

MM: ...you can write them a scope of work for, not only the work they've done, but work they'll do over the next year for you, so you might be able to pay them ten thousand dollars a month for the next two years...

RB: Even though it's only a three month job.

MM: Right.

RB: Okay.

MM: To continue to do research...

RB: Okay.

MM: ...meet with you...

RB: Okay.

MM: ...arrangements and, you can be cre-, as creative as you want... and... or, actually write scope of work for them, then end up doing it... and make 'em work for it...

RB: Right.

MM: ...now, it may not be a lot of work relative to what they're getting... but it's a lot more defensible.

RB: What are the, um, what are your sort of... I mean, when a guy says to you, 'cause, you know, we're gonna hear this, he's gonna go, okay, I need to make twenty percent because I'm taking care of the Minister of Interior and he's getting...

MM: I..

RB: ...fifty percent of my cut.

DA: That deal's done. I mean, how can you move forward?

MM: In theory.

DA: Yes.

RB: In, (UI) in reality?

MM: If, if somebody says... if somebody says to me, I need twenty percent (UI) okay, I, number one, this is, this is for me, statement number one, is the twenty percent gonna guarantee me the business?

RB: Okay.

MM: ...if it's not... I'm not gonna pay you twenty percent...

RB: Okay.

MM: ...you better guarantee me that business, 'cause guess what, I'm not paying you twenty percent, 'cause chances are, I can go with Joe Sack of Donuts and have him fifteen percent over bid and probably win.

RB: What happens if he says, yeah, I'll get it for you?

MM: You try it once, if it doesn't work...

RB: Hm-hmm.

MM: ...I cut him off.

RB: 'Kay.

MM: That's what I do with people.

RB: And if it does work?

MM: There's one guy, there's a few guys that we, yeah. There's a few guys that it's worked...

RB: And then you do the scope of work...

MM: Scope of work...

RB: ...instead of twenty percent...

MM: I have them, for a very long time, they are my captured business, and then we expand their scope of work as they continue to win bids.

RB: Okay. So, that's the reality.

MM: The reality. Another example, is we bought like our guy in Egypt, 'cause Egyptians aren't allowed to receive commissions, we bought...

RB: (Chuckle)

MM: ...we bought him a armored vehicle...

RB: Right.

MM: ...and we had it in the U.S. and he, we bought that so he could transport us around whenever we were visiting.

RB: You bought it in Egypt.

MM: Well, we bought it, uh, I can't remember where we bought it. I don't think it was in Egypt.

RB: But it ended up in Egypt.

MM: It ended up in Egypt, so that was when, that was so that he could...

RB: (UI)

MM: ...transport us around there.

RB: Was he the agent or he the end user?

MM: He was... he was our agent.

RB: Oh, he was your agent, okay.

MM: No I didn't buy, no I'm not gonna buy no end user...

RB: So, that's how you got, okay...

MM: I mean, that was a hundred thousand dollar vehicle.

RB: That's a nice car. (Chuckle)

MM: You know?  
RB: Yeah.  
MM: That's a very creative way of paying a rep's fee...  
RB: Yea.  
MM: ...he has use of a car...  
RB: And was Allied cool with that?  
MM: Oh, it wasn't Allied Defense it was actually General Dynamics.  
RB: And they were cool with it?  
MM: Yeah.  
RB: Wow...  
DA: Isn't that funny?  
RB: It's amazing...  
MM: You just gotta be smarter than the government.  
RB: Okay, that's very interest-...  
MM: (UI)  
RB: ...I mean, that, that's a great case though, where, you go to your, you go to your company and just say, we got, we can win this contract, here's how we're gonna do it, you're givin' them a creative way of vetting it and blessing it, like that armored vehicle deal...  
MM: If you have a boss that's ultimately going to go no...  
RB: That what?  
MM: If you have a boss...  
RB: Yea.  
MM: ...that's ultimately going to say no...  
RB: Right.  
MM: ...then he's gonna say no. If you have, hey, I'm gonna sub contract with this company... Company, I, I would hope your rep has a company, most people...  
RB: Right.  
MM: ...do.  
RB: Hm-hmm.  
MM: And they're gonna be doing the following scope of work for us, it's gonna reduce the amount of time I have to be in country, bla, bla, bla, bla... it's almost gonna guarantee we win, call it offset, call it whatever you wanna call it...  
RB: Right.  
MM: ...or, you know, in Egypt, hey, we need to buy this vehicle, my president had never been overseas.  
RB: Right.  
MM: Never been to Egypt, and we had on the order probably seventy million dollars in contract over a year's timeframe...  
RB: Hm-hmm.  
MM: ... he had never even gone to Egypt, never even met our product, he'd go meet some colonel for... you know, go to a dinner or a retirement ceremony and we'd have maybe five million dollars in contracts, his respect for the international world was minimal, but he did what we said, so, it was good, and he basically said, okay, why, why does he need this hundred thousand dollar vehicle? Well, we have a lot of personnel, sometimes we

have ammo with us and we don't want something happen, we need a, an armored vehicle there. He said, okay.

(Pause)

DA: (Laughs) It'd be nice...

MM: And we pri- and we priced into our bid...

RB: Right.

MM: More importantly, it's not like we...

RB: No, that's just a, that's like a comm-, it's a commission, I guess you...

MM: Well...

RB: ...figure it out...

MM: ...well... it is, but it's not...

RB: Right.

DA: It's not a commission...

RB: It's not a commission, yeah...

MM: ...it's, it's something he needs, he needs to provide...

RB: Right.

DA: 'Cause (UI)...

MM: He needs to provide security protection while you're in Columbia. Do you know how huge security protection is?

RB: We owned a secur- Armor Holdings owned a three hundred million dollar security...

MM: No...

RB: ...consulting.

MM: ...I'm talkin' about if you wanna justify, oh hey...

RB: Yeah, yeah, yeah, yeah...

MM: ...you wanna...

RB: ...yeah.

MM: We wanted him to get a, you know, whatever, so if we needed...

RB: Sure.

MM: ...to fly, drive, if we needed to transport...

RB: Oh, in-in-instead of...

MM: ...our goods...

RB: ...instead of consulting to a security company, you're saying we just buy the car, we save a fortune...

MM: Well...

DA: Right, well, you can justify the expense 'cause security's very expensive...

RB: Right, exactly.

MM: Yeah, I'm not telling you...

RB: Right.

MM: ...to do that, I'm just telling you if the government came... say, come on, we had 'em by an armored vehicle...

RB: Right.

MM: ...people shoot at ya all the time when you're in Columbia, you've been there, right? And the person probably had never been there before...

RB: Right. (Chuckle)

MM: ...in his life. That, or just say, you know somethin', I'm very paranoid about travelin' to places...

RB: Yeah.

MM: ...like that. You know, I've heard some bad experiences form colleagues of mine and, you know, I'm sorry, I'm very uncomfortable, and I felt it was necessary for us to get a large vehicle in case we had to run...

RB: Hmm.

MM: ...people off the road, in case people try to hit us, or more (UI) more important, people try to shoot us, all of which are likely possibilities when you're traveling in some place like...

RB: Sure.

MM: ...Columbia.

RB: Or Egypt.

MM: I said... or Egypt.

RB: Yeah.

End: 1D86 - 31:57 & 1D99 - 32:42 (video)

4/2/2009

MM: Marc Morales

RB: Richard Bistrong

Start: 1D485 - 23:08 & 1D487 - 27:05

MM: I was, there was one...the last briefing before the last break, about Foreign Corrupt Practices Act...

RB: Which was where, here?

MM: Here, that was what the briefing was about.

RB: And who gave the briefing?

MM: Some U.S. consultant.

RB: Some what?

MM: U.S. consultant.

RB: Okay.

MM: I'm like, I'm outta here.

RB: (Laughter)

MM: I'm like, why do I care? I fell asleep during the FCPA briefing my company gave me, I said I think I'm gonna fall asleep in this one.

RB: (Laughter)

End: 1D485 - 23:34 1D487 - 27:31



5/8/2008

SG: Steve Giordanella

RB: Richard Bistrong

Start: 1D127 - 15:36:59

SG: ...I don't see a problem.

RB: Even if the budget gets brought down, your stuff doesn't.

SG: Right.

RB: I mean, Kennedy's one of the biggest, ya know, supporters of all that.

(Vehicle beeping tone)

SG: How do you travel so much man? You have to love it?

RB: I do, I do.

SG: You have to love this.

RB: That's, that's why I do it. I do love it.

SG: Always packing shit up.

RB: (Chuckles)

(Vehicle beeping tone)

(Rustling)

RB: Ya know, and what I will do, Steve, an-and I won't...

(Getting into vehicle)

RB: ...do this with Alex, but I'll do it with you, is I'll, as these deals...

(Vehicle beeping tone)

RB: ...get closer I will walk you through, ya know, the mechanics of it in terms of how, ya know, there's letters of credit.

SG: Right, how it works.

RB: The finances, who's doing what so you'll, you'll understand it.

SG: And everything, I mean, as you know, we gotta keep it above board.

RB: Understand.

SG: Last thing I need is any legal aggravation issue...

RB: Right.

SG: ...from you know, we have an in house corporate lawyer who drives me crazy. Foreign Corrupt Practice, all this shit. I said, Deon don't worry.

RB: Yeah, I mean it's... Look I'm not an expert on it. I mean, these guys are... I mean, I've heard it. I haven't seen it. But there's corruption on these overseas, police deals.

SG: Oh, sure.

RB: There just is.

SG: As long as they do it, not us.

RB: Right.

SG: I'm okay.

RB: That's, that's what the important thing is. And that's I mean, and I'll tell ya what's goin' on. And you'll just make the decision.

SG: Yeah.

RB: You'll say, ya know what, that's too close for comfort.

End: 1D127 - 15:38:58