

December 21, 2018

Changes to Arecont Vision Costar Leadership & the Path Forward

Raul Calderon will depart Arecont Vision Costar, LLC and the Costar Technologies, Inc. group of companies (OTC Markets: CSTI), effective December 31, 2018.

Beginning his career with Arecont Vision, LLC in 2007 as Vice President of Strategic Relations, Raul rose through the corporate ranks in progressively senior assignments. He ultimately emerged as Chief Operating Officer and General Manager ten years later.

As part of his new leadership role, Raul made a personal commitment to lead the company through the most challenging period since initial launch in 2003. This effort was to include a major corporate restructuring to be followed by Chapter 11 bankruptcy proceedings, eliminating a multi-year debt load. He navigated the business through these hurdles, with the company recapitalized and reinvigorated with new corporate ownership. Costar Technologies, Inc. purchased the assets of Arecont Vision, LLC including all products, services, technologies, trademarks, and patents.

The new Arecont Vision Costar, LLC was launched on July 13, 2018 as a business unit of Costar, with Raul as President of the company. Over the next 6 months, he worked closely with the Arecont Vision Costar team and Costar Technologies, Inc. executive leadership, transitioning the business into an efficient and capable organization that is well positioned for growth. With this accomplished, Raul has completed his committed task and has opted to move on.

Shane Compton, Costar Technologies, Inc.'s Chief Engineering Officer, will assume the additional role of General Manager of Arecont Vision Costar to ensure the continued forward progress of the company. A long-time security & IT industry leader, Shane has been heavily engaged in the launch of Arecont Vision Costar from the beginning, so is well prepared for this new effort.

Continuing Progress

From our CEO Jim Pritchett on down, Costar Technologies, Inc. and Arecont Vision Costar are committed to re-earning the trust and the business of our customers and partners.

Discussions with many of our customers and partners have identified a number of issues that we are now working on. They include:

Product Quality

A major effort is underway to deliver improved quality for all Arecont Vision Costar products. The goal is design, build, sell, and support the most reliable video surveillance products in the industry.

New firmware updates, camera PCB board layout redesigns, key component enhancements, and 100% pre-shipment inspection are all underway. These efforts target the most highly reported issues our customers and partners face, and we are committed to fixing or mitigating them as rapidly as possible.

This effort is by no means a “one-and-done” process, but is instead a continuous implementation philosophy that is core to the new Arecont Vision Costar, modeled on that of corporate parent Costar Technologies, Inc.

Technical Support

Customers and partners told us that we needed to improve several aspects of our post-installation support, and we are taking immediate action to do so. The Technical Assistance Center (TAC) now has increased staffing to better address customer call rates. Internal processes have been changed to improve efficiency, and the TAC team meets on a daily basis to review support issues with other key stakeholder departments within the company.

These changes are already making a big impact. Telephone wait times to talk to a live person during even the busiest support hours have been significantly reduced. RMAs are approved and processed much faster. New processes have slashing the time needed to ship an advance replacement unit from several weeks in extreme situations to less than 48 hours. The company is committed to get to a 24-hour or less standard turnaround time in coming months.

Behind the scenes, new systems are also being planned and implemented to improve the customer experience through faster communications and more detailed and accurate information being made available.

Sales Support

We are also committed to be more proactive in supporting the activities of our partners during the sales process. The Inside Sales team has already been reorganized to help accomplish this goal, since the group already handles many issues and requests promptly by email and telephone. New Field Application Engineering resources have also been deployed, to assist with pre-installation issues or resolve onsite challenges when needed.

The Arecont Vision Costar Partner Portal has been completely overhauled, placing the tools, information, and resources our sales partners need in a single online location.

Online project registration and the individual partner’s project dashboard remain vital parts of the Portal, but now much more is also available online. A new sales configuration tool, free evaluation software downloads, access to live demonstration systems, new collateral, manuals, white papers, and both vertical market and technical sales presentations are all available.

The public website is also moving in stages to an entirely new architecture, which has already dramatically increased site response time. The goal of this project is to reduce the amount of time needed to find the document, video, download, or link the customer or partner needs.

Product Development

Arecont Vision Costar is committed to designing and delivering both new and updated products with a focus on features, quality, and reliability.

Our heritage of a decade and a half of delivering industry-leading megapixel cameras has prepared us to meet these challenges. We will continue supporting the latest security & network standards,

integrating with leading 3rd party products, and to delivering competitively priced, advanced cameras, software, and recorder systems as part of the Arecont Vision Costar Total Video Solution™.

Efforts will continue to develop new products and services that no one else in the market offers, as part of the legacy of industry leadership that Arecont Vision Costar will continue to build upon.

For more information on Arecont Vision Costar, please contact your local AV Costar sales team or representative or visit us online at <https://www.avcostar.com>.

We see a bright future for Arecont Vision Costar as part of the Costar Technologies, Inc. group of companies, and we hope you do as well.