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ParkerVision's wireless flop.

Asensio & Company, Inc. introduces a new feature called "Case Lessons." When an event occurs related to an asensio.com portfolio company that can be used to illustrate an investment lesson we will publish a "Case Lesson" article. A company only qualifies to be mentioned as a "Case Lesson" when the event it was promoting has failed to materialize and its stock has significantly corrected. The first "Case Lesson" is ParkerVision, Inc. (NASDAQ: PRKR, \$4.46). The event is ParkerVision's recent disclosure that its four year old licensing agreement with Symbol Technologies, Inc. (NYSE: SBL, \$14.38) had been terminated.

If you study the list of asensio.com's most successful short sells you will find that each had some impressive sounding arrangement with a Fortune 500 company that helped them get investors' interest. Case Lesson 1: Big companies do things for many reasons. At times those reasons can be quite odd. Never be impressed by a "Big Name" in a release. Rely on your independent assessment of an announced alliance's impact on cash flow.

Asensio & Company, Inc. has been covering ParkerVision, Inc. for over 4 years. In an October 1999 conference call held shortly after Asensio & Company initiated coverage Jeffrey Parker, ParkerVision's CEO, stated that "I know that some of you have been hearing lots of baseless gibberish about our technology, and for that I can only say that it has been said that facts are a stubborn thing." Obviously they were. ParkerVision never delivered and its stock price is down 92% from its high.

ParkerVision's 10-Q for the quarter ended March 31, 2004 showed a \$5.4 million loss, continuing its 31-quarter streak of uninterrupted losses. The Company's accumulated deficit has increased to \$101 million. And it's not as if these losses were incurred for a good cause.

In November 2003 ParkerVision began selling a wireless local area networking card that supposedly uses ParkerVision's \$101 million "breakthrough" Direct-2-Data technology. Six years and four months after announcing its "breakthrough" ParkerVision recognized a grand total of \$68,200 in wireless revenues in the March 2004 quarter. And it's not as if these meager sales were finally a sign of the beginning of something big.

In its 10-Q ParkerVision disclosed that its four year old licensing agreement with Symbol Technologies, Inc. had been terminated. In announcing the Symbol agreement Jeffery Parker said that the deal represented a "major recognition of our technology." (Note the vagueness of the statement and lack of guidance on financial impact.) The announcement contained a quote from Richard Bravman who was then Senior Vice-President of Symbol's Wireless Systems Division. It all seems very impressive.

On October 14, 1999 Asensio & Company issued a report highlighting some interesting facts. It turned out that the ParkerVision deal was not the first time that Richard Bravman felt it appropriate to give a small public company a promotional quote. On September 22, 1999 Symbol announced a deal with Criticare Systems, Inc. which contained a Richard Bravman quote. Unfortunately, 14 days after Richard Bravman's positive quote the NASDAQ halted trading in Criticare's stock. The halt resulted from Criticare's filing of a Form 10K without an audited statement. The company's auditors were reported to have resigned. Coincidentally Richard Bravman who rose to become Symbol's CEO resigned on December 30, 2003 over an accounting scandal.

ParkerVision is one of Wall Street's longest running promotions and this interesting story is a small sideline in its saga. Asensio's opinion was based on its technical evaluation of ParkerVision's technology claims not on Bravman's questionable judgment. Symbol was not the only company ParkerVision lured into its stock promotion. ParkerVision also had dealings with Tyco International Ltd. (NYSE: TYC, \$27.79) and Leucadia National Corporation (NYSE: LUK, \$46.32). All this gave ParkerVision stockholders lots of reasons to hold their stock year after year as it became more and more obvious that as asensio.com wrote over four years ago in a report titled "ParkerVision possesses no valuable technology" it "purposely disseminated false product claims in order to defraud investors."

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