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REFR: 42 Years of Hype

For more than forty two years, serious questions have surrounded the promotional activities of Research Frontiers, Inc. (NASDAQ: REFR \$15.13). According to a 1993 article in Forbes, REFR founder, Robert Saxe, began his 42 year odyssey when he was 27-years-old. Saxe heard about a company claiming to have developed photochromatic glass in 1963. He quickly purchased rights to the technology for \$168,000 only to discover that he had been “hoodwinked.” According to Forbes, “the prototype” had been “rigged” and “the underlying technology had been developed and patented by” somebody else.

PT Barnum once said that there is a sucker born every minute. Yet Mr. Barnum failed to recognize the perseverance of some suckers. Saxe, suckered by his own admission, spent the next 42 years of his life convincing (some may rudely say suckering) investors to buy stock in REFR’s glass schemes. But for more than four decades, REFR has continually failed to turn a profit for anyone other than the promoters who support it. Joseph Harary, President of REFR, told Newsday in July 2007, REFR “is a lot like a biotech company...we rely on our licensees to do the heavy lifting.” In fact REFR has been finding suckers in the press to support it since as early as 1989. Once could say that for 42 years it has been REFR’s investors that have done all the “heavy lifting.” Their burden includes the salaries, options, and other benefits enjoyed by REFR insiders.

Over the years, REFR has issued hundreds of positive press releases, many announcing questionable licenses with reputable companies and predicting profits in the near future. None of these announcements have turned into dollars for investors. This has not discouraged company executives and their cronies from hyping the company. They regularly applaud licensees that they expect to market REFR products “in the next year,” as Saxe told Gene Marcial in BusinessWeek twelve years ago in 1995. Mr. Marcial promoted REFR again in July of this year. Unfortunately for investors, Mr. Marcial omitted any mention of his 1995 promotion and what has happened in the 13 long years since
---- (See the related report: <http://asensio.com/Reports/ReportView.aspx?ReportId=805&CompanyId=121&CompanyName=Research+Frontiers>)
"Facelift" Fails to Beautify Work of Gene Marcial.") Last week, REFR recycled another one of its promotions from the past ---- (See the related report: <http://asensio.com/Reports/ReportView.aspx?ReportId=806&CompanyId=121&CompanyName=Research+Frontiers>)
42 years of Hype REFR resorts to recycling old promotional schemes.") These are only two examples of REFR’s reuse of old schemes and its many promising announcements that failed to materialize.

REFR continues to promise that it will become commercially successful, but the glass has never appeared. Robert Saxe founded REFR on the idea that he could turn his own misfortune into a profitable company. Investors impressed by REFR’s most recent public relations gimmick should remember the wise words of P.T. Barnum, not to mention the company’s dubious origins.

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