



## DDSI Digital Descriptor Systems, Inc.

### **DDSI Acquisition Expands Products And Clients, Expects Substantial Revenue Growth Due To Market Demands.**

For Immediate Release

SEA GIRT, N.J./EWORLDWIRE/March 7, 2005 --- On March 1, 2005, Digital Descriptor Systems, Inc. (Other OTC:DDSI) (the "Company") and its wholly-owned subsidiary, CGM Applied Security Technologies, Inc., acquired substantially all of the assets of CGM Security Solutions, Inc., a Florida corporation ("CGM"), for \$1,500,000 in cash and a 2.86% promissory note in the amount of \$3,500,000, subject to adjustment.

"We have accomplished the next step in our plan to expand our market share beyond our leadership position in Law Enforcement and Criminal Justice," stated Tony Shupin, president and CEO of DDSI. "We now provide products and services that help to support the processes that identify and protect people and assets. With over 20 years of leadership position and a client base of over 2000 companies, CGM provides our company with a solid base from which to expand."

Michael Pellegrino, senior vice president and CFO for DDSI, comments, "We expect that the combination of our talented people and our superior product lines can lead to substantial revenue growth."

#### *Description of Business of CGM*

CGM is a manufacturer and distributor of indicative and barrier security seals, security tapes and related packaging security systems, protective security products for palletized cargo, physical security systems for tractors, trailers and containers as well as a number of highly specialized authentication products.

#### *History*

CGM Security Solutions, Inc was established as a manufacturer in February 1977.

#### *Products*

CGM has a patent on its Secure Tract tape, super seals water gum tape, and sentry sensor. It also has exclusive rights on NAVATECH products and all seals. In addition, CGM provides authentication technology and products to clients to act as brand protection elements to finished goods. This brand protection technology can help manufacturers reduce the incidences of "knock-offs" that are common in the garment and accessory businesses. CGM's core products are: CGM Tapes, Self-Wound Security Tape, Void Labels and Void Tape for Bag Closure, SUPERSEALS(R), Custom Coated Products, CGM Conductive Inks and Membrane Switch Components, EMAPS(R), Locks, Sentry Sensor® and other representative items.

SUPERSEAL(R) and self-voiding carton sealing tape known as SECURE T.R.A.C.(R) show a customized signature if attempts are made at removing them. If cut and resealed, SUPERSEAL further shows an "opened" legend on the seal's center surface. With self-wound void tape, any attempt at resealing is negated by the surface coating on the tape. CGM also leaves an "opened" legend on the tape if removed. Since the products are manufactured in-house, CGM controls all features and has the ability to customize the products to the customer's needs. CGM also offers converted labels, seals, and money bags. CGM manufactures a variety of adhesives, graphics and die cut label configurations for companies whose logos always appear on the tape or label for security purposes. No generic product can be substituted for this product since no one makes an identical product.

Uses for this product and technology include such items as:

- Aircraft and truck seals

- Fiber and Steel drum seals
- Motor Vehicle inspection seals
- Box or container closure seals
- Cash bag components
- Computer seals
- Validation devices
- General security products

Once CGM's products are applied to a particular surface, any attempt at removal will leave a sign in the form of an indelible word or legend on the tape and a removable or permanent legend on the enclosure. The EMAPS(R) or Electro-Magnetic Asset Protection System, reflects entry by sending an electronic signal if cut. EMAPS products function without the need to identify a cut visually.

Both products, the labels and the scanners, are unique and only manufactured by CGM. EMAPS and SECURE T.R.A.C. have been patented.

CGM is certified by the Customs-Trade Partnership Against Terrorism ("C-TPAT"), a joint initiative between government and business designed to protect the security of cargo entering the United States while improving the flow of trade. C-TPAT requires importers to take steps to assess, evolve and communicate new practices that ensure tighter security of cargo and enhanced security throughout the entire supply chain. In return, their goods and conveyances will receive expedited processing into the United States.

#### *Demand Conditions*

The primary factors behind the need for CGM's products are:

- (i) the escalation of cargo theft and tampering
- (ii) the need for enhanced cargo security because of the fear of terrorism
- (iii) damage control of freight and cargo
- (iv) the need for security products
- (v) brand protection and authentication requirements
- (vi) governmental and regulatory requirements

#### *Principal Customers*

CGM's current client base includes over 2000 national and international companies, including producers of high value items such as perfumes, computers, silicon chips, jewelry, cash and negotiable documents. The market for tamper evidence includes flavors, fragrances, foodstuffs and components. CGM's products are used by major airlines, pharmaceutical clients and numerous government agencies. CGM's products have also been recommended by major insurance companies.

#### *Competition*

Several other companies manufacture products that are similar to CGM's self-voiding label stock. Their products are limited in scope and do not adequately address the issues of tampering by virtue of their inability to withstand the normal means of breaching adhesive products. However, new innovations and better sales/marketing by other companies with a product-solutions market approach could affect our ability to market our products. Currently, no other company manufactures the self-voiding label stock vertically like CGM does or sells the finished product in a customized tape or seal form like CGM does. As both a manufacturer and converter, CGM delivers finished goods to users in response to their individual needs. CGM can modify its products through all phases of its development to make it user friendly and compatible with the needs of its desired application.

No other company in the industry offers the array of products that CGM offers. There are approximately 12 seal manufacturers that offer seals and compete with each other over price. CGM sells through threat assessment and determines products on the basis of functionality.

#### *Industry Trends*

It is estimated that losses from cargo theft each year reach 30-50 billions dollars globally and 12 billion dollars in the U.S., and that these numbers will continue to rise. (L.H. Gray, Facing the Growing Problem of Loss and Theft).

#### **About CGM Applied Security Technologies, Inc.**

CGM is a leading manufacturer and distributor of indicative and barrier security seals, security tapes and related packaging security systems, protective security products for palletized cargo, physical security systems for tractors, trailers and containers as well as a number of highly specialized authentication products. The Internet Web-site address is [www.tamper.com](http://www.tamper.com).

#### **About Digital Descriptor Systems, Inc.**

DDSI develops, markets, implements and supports integrated enterprise-wide image applications designed especially for criminal justice organizations. With more than 300 customers worldwide, DDSI is an industry-leading imaging solutions provider. The company's customers include states, cities, counties, corrections, justice, and public safety agencies. In addition to the current criminal justice marketplace, DDSI is introducing its technology into other commercial markets such as cargo and transportation, access control and the biometric identification industry. Digital Descriptor Systems, Inc. is headquartered in Sea Girt, New Jersey. The Internet Web-site address is <http://www.ddsi-cpc.com>.

*"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding DDSI's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Please invest wisely. DDSI invites the public to examine 2003 10K and 8K filings for more information regarding the company and this transaction.*

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