



CEOCFO

Interviews & News!

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Building Robust Scanners That Work Faster And Have Longer Duty And Life Cycles Than The Competition At A Lower Price-Point Is Giving Chatsworth Data Solutions An Edge In Attracting OEM And Application Provider Customers

CHATSWORTH
DATA CORPORATION

Information Technology
Computer Peripherals
(CHWD-OTC: BB)

Chatsworth Data Solutions, Inc.
(parent)
Chatsworth Data Corporation
(subsidiary)

321 South Boston Avenue, Suite 218
Tulsa, OK 74103
Phone: 918-645-3701



Sid L. Anderson
Chairman, President and CEO

BIO:

Mr. Anderson began his professional career with Peat, Marwick, Mitchell & Co., (currently KPMG) in Tulsa, OK where he was employed for over five years in the firm's tax department leaving in December 1977 as a Tax Manager.

After leaving public accounting, Mr. Anderson practiced law for five years and was a Partner with the law firm of Pray, Walker, Jackman, Williamson & Marlal in Tulsa, OK. In 1981, Mr. Anderson founded Pan Western Energy Corporation, a small publicly traded oil and gas exploration and production company, where he served as the company's President and Chief Executive Officer and Chairman of its Board of Directors for nineteen years until the company was sold October 1, 2000. Since that time, Mr. Anderson has consulted with a number of companies on financial and business matters. Mr. Anderson received his undergraduate degree in Business Administration (Accounting) from the University of Oklahoma in 1969 and his Juris Doctorate degree from the University of Oklahoma in 1972. He was admitted to practice law in Oklahoma in 1972 and received his Certified Public Accountant certificate in 1975. Mr. Anderson has served on the board of numerous civic and academic organizations as well as public trust authorities including the board of trustees of Oklahoma State University – Tulsa and the University of Tulsa College of Business Administration Executive Advisory Board. Mr. Anderson has also served as a trustee of the Tulsa Industrial Authority, the University Center at Tulsa Trust Authority, and the Economic Development Commission for the City of Tulsa. Mr. Anderson was also a director of Health Science Group, Inc. (OTC:BB "HESG") and was chairman of the board's audit committee until August 2006. Mr. Anderson is currently the President and CEO of Chatsworth Data Solutions, Inc. (OTC:BB CHWD) and Chairman of its Board of Directors. In addition, Mr. Anderson served in the

United States Army Reserve (Captain) from 1971 through 1986 and is a member of the National Eagle Scout Association.

Company Profile:

Chatsworth Data Corporation ("CDC") is located in Chatsworth, California and is a wholly owned subsidiary of Chatsworth Data Solutions, Inc. (OTC Bulletin Board: CHWD) located in Tulsa, Oklahoma. CDC has been trusted worldwide for 37 years as a provider of innovative, highly accurate and economically-priced intelligent data capture technology. CDC provides the front-end optical mark sensing and image scanning systems designed to meet the forms capture and document management needs of value added resellers, system integrators and applications developers who embed CDC technology into solutions tailored for several key markets. Chief among them are gaming/lottery, education, vote tabulation, healthcare, government, surveying, intelligence gathering and data management. Over a million readers and optical head assemblies have been sold by CDC to date. CDC also develops impact recording devices for packaging, shipping, insurance and transportation companies as well as organizations that manufacture fragile or sensitive products. Shares of International Data Solutions, Inc., formerly Chatsworth Data Solutions, Inc., are traded on OTC: BB under the symbol CHWD.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Anderson, I know Chatsworth has a long history; what is the vision today?

Mr. Anderson: "Chatsworth Data Corporation, which is the wholly owned subsidiary of Chatsworth Data Solutions Inc., has a 37-year history of manufacturing quality Optical Mark Readers and Impact Recording devices. What we have done since we purchased the company is develop to three new scanning products, the cScan 8500 which is an 8.5 inch full-page scanner, the cScan 3250 which is a 3¼ inch image scanner and what we call an ExecuScan which This is a high-speed auto-feed 8.5 inch scanner that will read 60 pages of data a minute and convert it into one of six different formats including PDF. The scanners are our hope for the future."

CEOCFO: What is the market for scanners and where do you fit in the grand scheme of things?

Mr. Anderson: "We are at the low end of the scanner market. The scanners that we manufacture are light industrial scanners. They last a long time and we feel they are a lot more robust than what our competition has to offer. We are not the cheapest product out there, but by the same token when you look at the broad spectrum of scanners that range anywhere from \$500 to \$50,000 and upwards of that, we are at the low end. Our scanners depending on which one you get are priced between \$500 and \$2000."

CEOCFO: Who is using your scanners and for what applications?

Mr. Anderson: "The cScan products, the 3¼ inch and the 8.5 inch scanners are used a lot by OEMs and VARS. Typically the products themselves are components to a finished product, for example lottery terminals, off-track betting terminals, election systems and those types of things."

CEOCFO: You mentioned FCC and CE certification for you new cScan 8500, you call that a milestone event for the company, how so?

Mr. Anderson: "You pretty much have to have those certifications to sell products. We recently got those certifications for the cScan 8500 and we should have

our certifications for the other two scanners in hand very quickly."

CEOCFO: What is the competitive landscape for your newer products?

Mr. Anderson: "You look at the scanner market and there are a lot of big players out there that manufacture scanners; Canon, Kodak, Fujitsu and a number of others. We believe the scanners that we are manufacturing can compete very well with them for a couple of reasons. One is that the scanner we build has a longer duty cycle. It also has a longer life cycle, and it is as fast if not faster than the competition. By duty cycle, I mean how long you can run it without having to let the machine rest. Lifecycle is the number of

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CEOCFO: How do you reach your customers?

Mr. Anderson: "We have about 600 OEMs that we have sold Optical Mark Readers to over the years and we are certainly marketing to those customers. For our non-OEM customers, we are selling to application providers, for example companies that have software that utilize scanners. We market to those companies and we market into four or five different vertical markets, lottery, vote tabulation, education, healthcare, government, document capture and management. Our ExecuScan is marketed directly to companies who are involved in document capture and document management. The other thing that we are doing, is having the scanners adapted to ISIS driver platform which was developed by EMC

Square. What the ISIS driver platform does is to allow us instant compatibility with over three thousand applications. We are in the process of having this platform developed and we should have that completed in the next eight to twelve weeks. Once that is completed there will be three thousand software applications out there that can order any of our scanners and will immediately be able to hook up to it and it will work."

CEOCFO: What is the strategy going forward?

Mr. Anderson: "Internally we are marketing to our existing customers and application providers in the vertical markets that I mentioned to you. The other thing

that we are doing is that we believe that our legacy products, our Impact Recording devices and the Optical Mark Readers have a lot of potential internationally. Therefore, we are in the process of establishing an international distributor network throughout Asia, South America, Europe, and Australia. That is primarily what I am focused on, establishing international distribution networks and marketing our products to distributors."

CEOCFO: What is the financial picture like for you today?

Mr. Anderson: "The financial picture for us is just like it is for a lot of small companies, things are tight. We have spent a lot of money on research and development to get our products into the marketplace and start the process of recouping some of that cost."

CEOCFO: Would you tell us about some of your relationships and partnerships?

Mr. Anderson: "We just signed an agreement with Blue Ray Technologies, which is the largest manufacturer of the blue-ray technology encryption software. Our agreement basically calls for us to provide them with the scanners that will actually take paper documents and convert them into a PDF file on a disk. This is a disk that Blue Ray manufacture and they will encrypt those disks with the blue-ray encryption technology. Obviously there is a wide variety of govern-

mental agencies that are interested in having that done. I think we are probably sixty to ninety days away with Blue Ray from having that project in full-swing. We are very fortunate to have that. Blue Ray is the standard in encryption technology at this point and we are tickled to death about providing them the equipment to get paper to disk.”

CEO CFO: These are exciting times at Chatsworth!

Mr. Anderson: “Yes they are. There are a lot of things that are going on. If you look at our financial information, which is obviously puzzling, it is not as exciting now as it will be in the future. However,

we are laying the ground work to increase our revenues and we believe that for our fiscal years ending January 30, 2010 and January 30, 2011 we should have dramatic increases in revenue as a result of the groundwork we are laying now.”

CEO CFO: There are many companies to choose from; why should people look at Chatsworth Data Solutions?

Mr. Anderson: “There are a couple of reasons why people should consider Chatsworth. First we have quality strategic relationships and secondly, our customer base is a long-standing customer base, particularly OEMs. We are very proud of the companies that have serviced

and been associated with over the years. Chatsworth, after all, has been here for thirty-seven years. Our new product lines that we are just coming out with are very exciting. We have gotten a lot of positive feedback from customers about the products. We are actually in production now with our cScan 3250. We are taking orders and filling those orders for that product as we speak.”

CEO CFO: What should readers remember most about Chatsworth?

Mr. Anderson: “That we make a damn good product!”

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