



The Brand Equity Protection Company™

S. G. Hart & Associates, LLC

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Who We Are

S. G. Hart & Associates is a global brand protection consulting company helping clients develop and implement strategies that protect supply chains from the disruptions caused by counterfeiting, product diversion, tampering & theft.

What We Do

We help protect your brand from the negative effects of counterfeiting, product diversion tampering & theft. Our Strategic Brand Equity Protection Plan is designed to ensure that the integrity of the firm's most valuable asset – its brand - is secure, that the brand's ability to generate and preserve revenue is maximized and that effective controls are used to safeguard the branded asset against unauthorized or improper use.



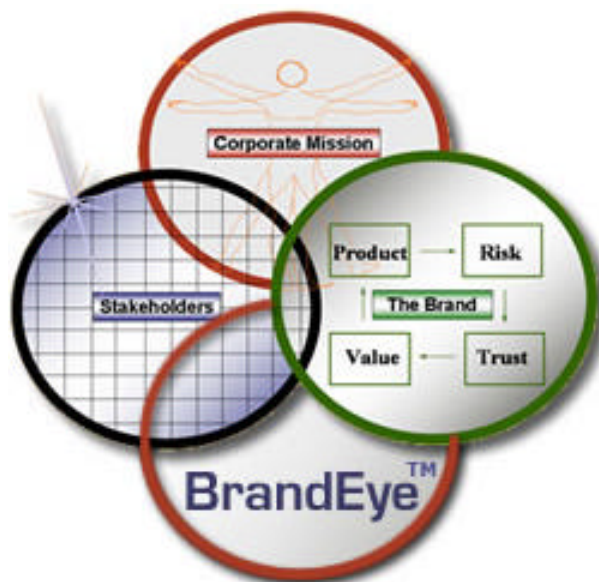
How Do We Meet Your Needs?

S. G. Hart & Associates provides global clients with a trusted strategic partner to leverage the brand protection experiences within a firm so that the revenue generating ability of the branded asset is preserved. We do this using our unique methodology designed to help our clients sort through the maze of brand equity management touch points and provide professional services that bring results.

About Us

S. G. Hart & Associates provides a roadmap for global firms to protect stakeholder value when threatened by the negative effects of counterfeiting, product diversion, tampering & theft. Our methodology produces a framework to preserve the revenue generating ability of the brand, ensure channel integrity, mitigate risk associated with intellectual property theft and assure compliance with governmental directives such as The Sarbanes-Oxley Act of 2002 (SOX).

As an integrated piece of our valued added services, we offer BrandEye™. BrandEye is our complimentary newsletter that provides understanding about the state of brand protection. Sign-up for BrandEye by visiting www.sghartassociates.com/brandeye.



Why S. G. Hart & Associates

Long-term market success in today's open, dynamic and global business environment is achievable when values are unambiguous. Our mission therefore is to simplify and expedite the process of ensuring that the integrity of our client's most valuable assets continue to do their job, are secure from external threats and that effective controls are used to safeguard all branded assets against unauthorized or improper use. At the center of this mission is a deep commitment to a set of core ethics and principles, embodied as our values, which guides S. G. Hart & Associates and the clients we support.

The ability to secure your brand throughout your supply chain against the constant threat of the unscrupulous industrialist remains one of management's top concerns. Mitigating this risk requires working with knowledgeable professionals who adhere to a strong set of values. S. G. Hart & Associates can help boards of directors and senior management create an operating environment that complies with applicable regulations and is designed to deliver true stakeholder value with services and solutions that protect brand value throughout a secure global supply chain.

S. G. Hart & Associates believes that bringing value to brand owners rests with a set of core competencies that are uniquely applied to secure your supply chain. These competencies are:

Our Values

- We will be advocates for our clients.
- We will treat our clients with respect and adhere to the highest ethical standards.
- We bring knowledge and competency to our clients.
- We will always make every attempt to identify the client's core issue.
- We will always clearly specify our role in any project or assignment.
- We will adapt to the individuality of our client's situation.
- Our recommendations will be fact based and feasible.
- We will at all times strive to avoid any conflict of interest.
- We will always perform our services to the best of our abilities in order to ensure success for our clients.
- We will always be fair in dealing with our clients and their employees.
- We will always be attentive to our client's needs and their customers.
- We will always inform our clients of potential risks from any undertaking.
- Our services will always be presented forthrightly.
- We will maintain confidentiality with regard to our client's business.

Experience – S. G. Hart & Associates has experience working with 100's of different branded product manufacturers across a wide variety of industries.

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|------------------------|------------------------------|-------------------------|
| ➤ Aircraft | ➤ Fashion | ➤ Personal Care |
| ➤ Appliances | ➤ Food & Beverage | ➤ Pharmaceutical |
| ➤ Automotive | ➤ Health & Beauty | ➤ Software |
| ➤ Cosmetics | ➤ Healthcare | ➤ Sporting goods |
| ➤ Electronics | ➤ Luxury Goods | ➤ Tobacco |
| ➤ Entertainment | ➤ Nutritional | ➤ Tools |

We have the expertise your organization needs to develop a Strategic Brand Equity Protection Plan that is both actionable and cost effective using the best benchmark there is for success...**practical expertise**.

Inspiration - Strategic brand equity management encompasses all components of an organization from the CEO down to the hourly worker. Services proposed by S. G. Hart &

Associates are trusted because they are offered without regard to a specific technology or turnkey solution. S. G. Hart & Associates believes that true inspiration for a Strategic Brand Equity Protection Plan already exists within the organization. What is needed is the kind of skill S. G. Hart & Associates can provide to help define and shape a home inspired solution to achieve lasting results.

Speed - In today's highly competitive and time compressed market place, speed to an organization's understanding about brand protection is critical. S. G. Hart & Associates is your firm's conduit to quickly gain a sure understanding about the methods and solutions necessary to determine, measure, comply and identify weak points of your current brand protection strategy where incremental value is escaping.

Results - Our Strategic Brand Equity Protection Plan is designed to ensure that the integrity of the firm's most valuable asset - its brand - is secure, that the brand's ability to generate and preserve revenue is maximized and that effective controls are used to safeguard the branded asset against unauthorized or improper use. Boards of directors and senior managers as stewards of branded products have protection of assets as one of their primary fiduciary responsibilities. S. G. Hart & Associates enables our clients to have the right tools and management controls in place needed to address the unique threats of counterfeiting, product diversion, tampering & theft.

Our Services



A branded product is a valuable asset that must be protected so that its revenue generating ability is preserved. As stewards of branded products, boards of directors and senior managers have this as one of their primary fiduciary responsibilities.

S. G. Hart & Associates is a valuable resource to the clients who understand that protecting the brand is more than just a cost of doing business. S. G. Hart & Associates is a brand owner's trusted partner because of our deep expertise with protecting brands and our independence of any solution provider. Our independence along with our structured methodology act as an enabler for S. G. Hart & Associates to provide a complete a "top-down-wide" approach to the challenge of counterfeiting, product diversion, tampering & theft.

We refer to our unique methodology as "top-down-wide" because of our layered approach that begins with the highest levels of the organization and extends beyond the core organization to include trade associations, government agencies and enforcement. As a result of our time tested methodology, the Strategic Brand Equity Protection Plan is designed to be an extension of our client's current brand strategy, complies with the internal control requirements of Sarbanes-Oxley Act of 2002 (SOX) and fuses together the critical elements of our client's supply chain execution plan for a comprehensive brand protection approach. For S. G. Hart & Associates, the ability to work with staff, channel partners, solution providers and elements of the client's supply chain is the most effective approach towards a highly attainable Strategic Brand Equity Protection Plan. The result enables the preservation of the revenue generating ability of the brand in the

wake of the global threat that stems from counterfeiting, product diversion, tampering & theft.

ESP Management Series

S. G. Hart & Associates offers a one-day, on-site customized management program targeted to those concerned with preserving the revenue generating ability of the brand. The ESP management series – **Education, Strategy & Perspective** – is tailored for today’s competitive environment where speed, effective use of limited resources and providing maximum value is paramount for the companies we serve.

Through these unique programs, S. G. Hart & Associates’ offers a variety of management tools relevant to brand owners and suppliers of brand protection services. From technology reviews to in-depth market studies, ESP offers what other consulting firms can not...valuable education, strategy and perspectives without the burden of waiting for the completion of an exhaustive assessment. ESP gets decision quality information to decision makers when they need it and when they want it – **FAST!**

Unique to ESP is the customization of the program prior to our visit. Generally, topics covered are relevant to those concerned about protecting the most valuable asset of the firm – its brand – from counterfeiting, product diversion, tampering & theft. S. G. Hart & Associates is usually ready within 2 weeks or so to present to decision makers, senior manager and key board members.

A typical ESP one-day, on-site event includes a formal presentation, open discussion, Q&A and a strategy discussion session. However, our clients customize their program making no two programs exactly alike. Deliverables include market statistics, brand protection insight & information, optimal Brand Equity Protection Plan strategies and expert opinion on “best-in-class” examples of brand protection from a wide variety of industries, all captured in a single day. In many cases, a formal, written evaluation of the ESP session is prepared by S. G. Hart & Associates and delivered to our clients. The key learning captured can then be shared as appropriate within the organization.

Counterfeiting

Most companies begin a counterfeit prevention effort by immediately initiating a point solution or deploying a technology footprint that does not reveal the true source of the counterfeit problem. In the end, this quick fix strategy is rarely successful and ultimately leads to senior management dissatisfaction and a poor return on your brand equity protection investment. An effective anti-counterfeiting program is based on a solid Strategic Brand Equity Protection Plan.



A Strategic Brand Equity Protection Plan is very much like an in-depth business or marketing plan designed to protect your most valuable asset. The Strategic Brand Equity Protection Plan considers all the internal and external touch points of the branded

product's extended supply chain to identify and implement best practices and solutions that can secure your branded asset. S. G. Hart & Associates works with boards of directors and senior management to create a plan that generates sustainable value that can be used to differentiate our clients from their peers providing a unique competitive advantage.

S.G. Hart & Associates offers a wide range of services for companies who need to stop and prevent the counterfeiting of their branded products. The anti-counterfeiting services we offer are customized for each client because the threats, the supply chain and the level of sophistication are different in each case. The depth of our service can range from establishing complete brand protection programs to analyzing the effectiveness of current measures with recommendations for improvements. Listed below are just some of the broad services we offer our clients. If you are unsure of what we can do for you, give us a call so we can discuss your unique circumstances.

- **Assessment**
- **Policy Review**
- **Strategic Audit**
- **Strategy Development & Review**
- **Advocacy Services**
- **Technology Analysis**
- **Authentication Solution Development**
- **Partner, Supplier Screening**
- **Coordinating Anti-Counterfeiting Awareness Campaigns**
- **Deployment & Measurement**
- **Project Implementation Management**
- **Program Compliance, Auditing and Effectiveness**
- **Training**

Product Diversion

Product diversion is an object of contract law and, more often than not, industry and company specific. Moreover, product diversion often stems from a company's own internal policies that authorize and approve geographically diverse pricing and compensation programs to meet unique market needs. To counter this threat, in conjunction with effective policies and measures, product diversion requires the ability to mark, track and integrate information at the item level about the product's own pedigree from start to authorized end. The negative effects of product diversion are brand erosion, inadequate inventory levels in targeted markets, lower revenue from higher paid discounts and higher cost of distribution within established channels because of slower sales. Based on our extensive research and experience, the financial damages and harm to stakeholder value attributable to product diversion are often equal to, and sometimes even greater than, product counterfeiting.

S.G. Hart & Associates offers a wide range of services for companies who need to stop and prevent the diversion of their branded products. The anti-diversion services we offer are customized for each client because the threats, the supply chain and the level of sophistication are different in each case. The depth of our service can range from establishing complete brand protection programs to analyzing the effectiveness of current measures with recommendations for improvements.

Listed below are just some of the broad services we offer our clients. If you are unsure of what we can do for you, give us a call so we can discuss your unique circumstances.

- **Assessment**
- **Policy Review**
- **Strategic Audit**
- **Strategy Development & Review**
- **Advocacy Services**
- **Technology Analysis**
- **Track & Trace Solution Development**
- **Distributor Screening**
- **Coordinating Anti-Diversion Awareness Campaigns**
- **Deployment & Measurement**
- **Data Integration**
- **Project Implementation Management**
- **Program Compliance, Auditing and Effectiveness**
- **Training**



Sarbanes-Oxley Compliance

Addressing Brand Protection Issues for Sarbanes-Oxley Compliance

1. Is your intellectual property and supply chain at threat from counterfeiting, diversion, tampering and theft?
2. What is the quantitative and qualitative impact of these potential threats?
3. What are the processes and methods employed to measure and were they obtained and verified by an outside independent party?
4. Does the impact require disclosure under Section 302?
5. Have you designed, established and now maintain disclosure controls and procedures for counterfeiting and diversion and do you report on their effectiveness?
6. What internal controls and plans do you have in place to mitigate the risk associated with counterfeiting, diversion, tampering and theft?
7. How effective are these controls and have they been verified by an independent party?

The Sarbanes-Oxley Act of 2002 (SOX) was passed to re-instill confidence and trust in the corporate accounting reporting practices used to evaluate publicly traded companies of the United States. Moreover, SOX is about clarity and transparency of financial information and the disclosure of material circumstances that can impact a company's employees, customers, shareholders and stakeholders. Overall, whether or not you are a U.S. company subject to Sarbanes-Oxley, the tenants of the act will continue to affect company operations, corporate governance, the accountability of the board of directors and senior management and the overall management of all forms of risk & liability, particularly risk in the form of counterfeiting and product diversion.

Sections 302 and 404 of Sarbanes-Oxley have a direct impact upon companies and the need for brand protection. Take a look at the questions highlighted in the sidebar. If you can not comfortably answer these questions then you are perhaps in violation of Sections 302 and 404.

S. G. Hart & Associates offers a wide range of professional services that help boards of directors and senior managers meet their fiduciary responsibility of protecting company assets.

We guide you through the process and make recommendations that will build the foundation for a strong brand equity program and help meet the requirements outlined in Sections 302 and 404 of Sarbanes-Oxley. Listed below are just some of the broad services we offer our clients. If you are unsure of what we can do for you, give us a call so we can discuss your unique circumstances.

- **Assessment**
- **Compliance Support**
- **Internal Control Review and Recommendations**
- **Deployment & Measurement**
- **Disclosure Review and Recommendations**
- **Training**

Tampering & Theft

When developing a Strategic Brand Equity Protection Plan, all the vulnerabilities of the supply chain need to be identified and a risk assessment applied to determine the extent of the measures that need to be deployed to monitor and stop the problem. This is the case with tampering & theft, which we do not see as separate issues. If people can gain access to your product to tamper with it then they can certainly steal it. So the same objectives of deterrence and detection apply. The key is to convince your adversaries that your processes and systems are ironclad. Therefore, limiting physical access to the product and knowing where your product is at all times is essential for detection and prevention.



Tampering, while important to all products, has a different impact depending upon whether the product is a consumable or can potential inflict bodily harm if tampered with by outside parties. Tampering can take many forms beyond the Tylenol episode we all remember, which changed the way products were packaged and sold. It can also mean dilution, substitution of components or the tampering of the actual shipment to include other unauthorized goods.

The issue that has been recently raised is the tampering of the food supply by terrorists. At the heart of this issue is that consumers place the responsibility on the brand owner to guarantee delivery of the genuine product every time in its unaltered form.

S.G. Hart & Associates offers a wide range of services for companies who need to stop and prevent supply chain tampering & theft of their branded products. The services we offer are customized for each client because the threats, the supply chain and the level of sophistication are different in each case. Listed below are just some of the broad services we offer our clients. If you are unsure of what we can do for you, give us a call so we can discuss your unique circumstances.

- **Risk and Threat Assessment**
- **Internal Controls Review**
- **Compliance Audits**
- **Strategy Development**
- **Technology Reviews and Selection**
- **Training**

Our Executive Team

Stanley Gene Hart, President and Chief Executive Officer



Prior to founding S. G. Hart & Associates, Stanley was the President and CEO of a technology and consultancy company that worked with brand owners to prevent the counterfeiting and diversion of their brands around the world. Stanley founded the company and established operations in the USA, Japan, Hong Kong, Singapore, Brazil, Belgium and Israel. This operation was later merged into the operations of a Fortune 200 company. Stanley has over 18 years of international general management experience with Fortune 500 companies within the brand protection, chemical, packaging and paper industries. With five years as an expatriate, Stanley's diverse experience includes new ventures, international business, sales and marketing, mergers and acquisitions, technology assessment and strategic planning.

Stanley has extensive experience in the areas of design and implementation of covert and overt systems that can authenticate and track products through the supply chain, international operations and technology assessment. He is a well recognized speaker and has authored numerous articles for international publications. Stanley is an Accredited Professional Consultant and is a member of several consulting, marketing and industry associations.

Stanley and his organization are valued partners to CEO's and senior management in a wide variety of industries including healthcare, software, cosmetics, tobacco, wine and spirits, fashion, nutrition, electronics, personal care, sporting goods and other consumer and industrial products. Their client base ranges in size from small firms to Fortune 100 companies.

Stanley has a B.A. degree in Chemistry from the University of North Carolina at Chapel Hill, and a MBA from the Fuqua School of Business at Duke University. Stanley serves on the Board of Directors of several public and private companies, is a member of the National Association of Corporate Directors and is involved in several community activities.

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