

PRESS RELEASE

The Smart Action Company starts operating and releases the SmartAction™ IVR System

Playa del Rey, California
January 12, 2009

The Smart Action Company LLC of Playa del Rey, California, started operations today with the release of its SmartAction™ IVR System. The company is the commercialization subsidiary of Adaptive AI Inc., whose mission is to bring artificial general intelligence to life in business, entertainment and consumer products.

An interactive voice response system, or IVR, detects speech and keypad inputs from callers, and responds with appropriate answers. IVR systems typically route calls they can't handle to human agents.

Every call that is successfully handled by the interactive voice response system is one less call requiring human intervention either while the caller is on the line or during subsequent call-backs.

The most common return of an IVR system is to lower costs by reducing the need for human agents. Other benefits include fewer cancelled orders, more closed orders, and higher customer retention. And IVR systems do not suffer from negative human traits like boredom, lack of interest, improper knowledge, moodiness, long training cycles, and absenteeism.

A key factor for a successful IVR system is the elimination of caller frustration, call time and countless other annoyances that make people dislike IVR systems. This problem is so rampant that there are even websites disclosing how to bypass the systems at thousands of call centers.

To be most successful, the IVR system must understand the caller's intent and meaning correctly and promptly, and provide appropriate responses clearly and promptly.

The SmartAction™ IVR System precisely delivers the best possible results for IVR applications. Better yet, it successfully automates sophisticated interactions that simply can't be handled by other IVR systems. In a sense, it doesn't "compete" with other IVR systems but with calls that today are only handled by human agents.

It succeeds where other systems don't thanks to the linguistic and cognitive intelligence of its LiveAGI™ Brain. Under development since 2001, the Brain can have natural-language spoken conversations, ask open-ended natural language questions like *what can we do for you today?*, understand callers' free-form answers, and take it from there.

By contrast, other speech-enabled IVR systems can only recognize a few keywords at a time, such as *say yes or no or say balance, deposits or withdrawals*. This limitation seriously constrains what the IVR system can be used for. And it often annoys callers with many layers of options, causing them to abandon calls or seek human assistance.

The company's turnkey setup and maintenance process takes care of all necessary programming and testing, both initially and subsequently to keep it up to date with changes in its users' business. Its intrinsic high intelligence makes the process relatively simple and straightforward, avoiding the lengthy, expensive procedures typical of other speech-enabled IVR systems.

Richard Koffler, Smart Action's chief executive officer, explains, "We chose to start commercializing our artificial general intelligence, cognition and linguistics technologies in the IVR market because it's ripe for major improvements in quality and performance. Other products deliver relatively tiny advances in performance because they all use the same relatively simplistic underlying technologies and methods. Our superior approach will let us become very successful quickly in this multi-billion technology market that caters to the enormous global market for call centers."

Peter Voss, the company's chairman, founder and chief science and technology officer, adds, "Today we started demonstrating the commercial applications of the far-reaching advances in artificial general intelligence we've been researching and developing since 2001. We plan to follow our IVR products with many future innovations that significantly improve the interaction between humans and computers in business systems, entertainment experiences, and consumer products."

About the Smart Action Company LLC

The Smart Action Company LLC is the commercialization subsidiary of Adaptive AI Inc., a company founded in 2001 to research, develop and commercialize a far-reaching set of inventions in the field of artificial general intelligence, cognition and linguistics.

The company's interactive voice response systems are designed to transform the multi-billion IVR industry. Future products will go beyond IVR systems and enable major improvements in human-computer interfaces over a broad set of applications in business processes, entertainment and consumer products. The company is currently researching these applications and under certain conditions will consider creating commercial versions in the near term.

www.smartaction.com

www.adaptiveai.com

The logo for SmartAction features the word "SmartAction" in a blue, sans-serif font. The letter "i" in "Smart" has a small, stylized icon above it consisting of three horizontal lines of decreasing length, resembling a signal or a microphone. A small "TM" trademark symbol is positioned to the upper right of the word "Action".

Contact:

Richard Koffler

(310) 776-9011 x218

rk@smartaction.com