

**P.A.I.D. Inc. successfully completes phase 2 of its clinical trial for the first Verbally Prompting Incentive Spirometer (VPIS) that empirically documents significant patient compliance when Medichip® is integrated into an Incentive Spirometer to provide audible instructions and coaching, to patients, in a language of the patient's choice.**

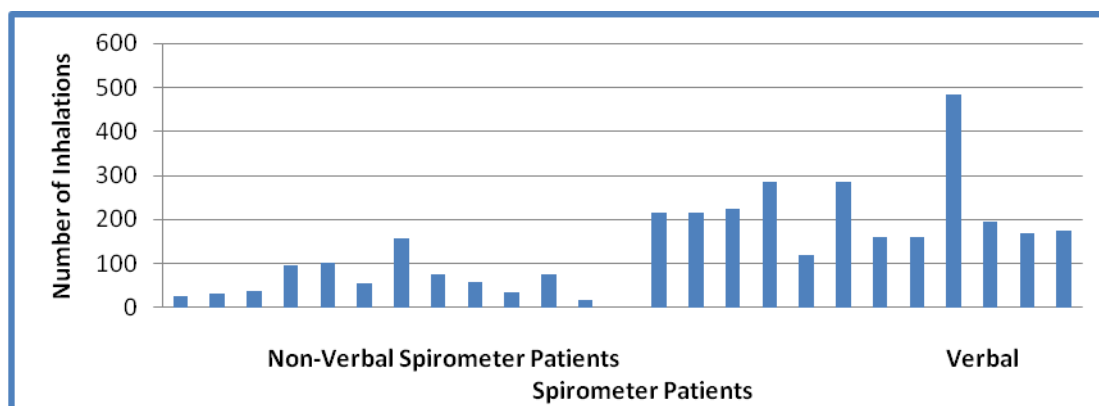
Carson City, NV, July 1, 2009, /Link-Med- - P.A.I.D. in association with Boca Raton Community Hospital, Boca Raton, Florida announces the successful completion of phase 2 of its clinical trial for the first Verbally Prompting Incentive Spirometer (VPIS).

**ABOUT THE STUDY: STUDY (UNDER IRB PROTOCOL) OF SUSTAINED MAXIMAL INSPIRATION REGARDING PATIENT COMPLIANCE USING VERBALLY PROMPTING INCENTIVE SPIROMETER**

One of the objectives of the study was to demonstrate increased compliance by the patient as measured by the number of Total Inhalations per Study Group and comparing pre-surgery Tidal volumes per subject to pre-discharge Tidal Volumes to conclude empirically whether lung improvement due to patient compliance was demonstrated during the study. Tidal Volume is the amount of air inhaled into the lungs. Using an Incentive Spirometer, which measures the performance of the lungs regaining normal pulmonary hyperinflation; the higher the volume inhaled, the greater the lung improvement. P.A.I.D. addressed the patient compliance issue within the study by incorporating Medichip® into the Incentive Spirometer and comparing, one study group (Voice Prompting Incentive Spirometer) vs. the reference study group (Non-Verbal, Standard Incentive Spirometer). The VPIS results (data) demonstrated overwhelming improvement in patient compliance.

The graph below (Comparison of Total Inhalations by Study Group) illustrates patient compliance as measured by Total Inhalations per Verbal Study Group increased a very significant 285% over the Non-Verbal Group. The Medichip clearly being the reason for increased patient compliance.

**Comparison of Total Inhalations by Study Group**

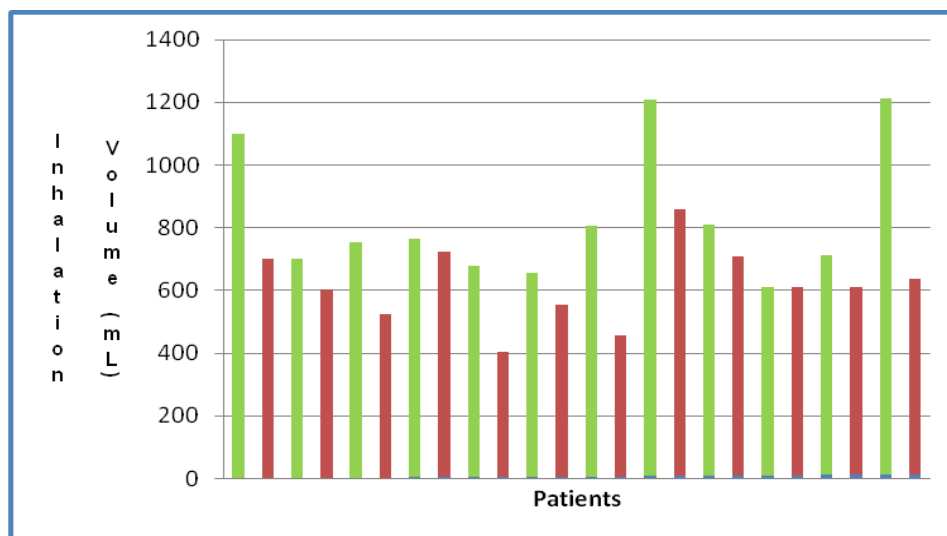


On an individual basis (individual inhalation) when comparing the Incentive Spirometer incorporating the Medichip® (VPIS: Voice Prompting Incentive Spirometer) vs. the standard Incentive Spirometer, the incorporation of the Medichip was responsible for increased lung performance when pre-surgery Tidal

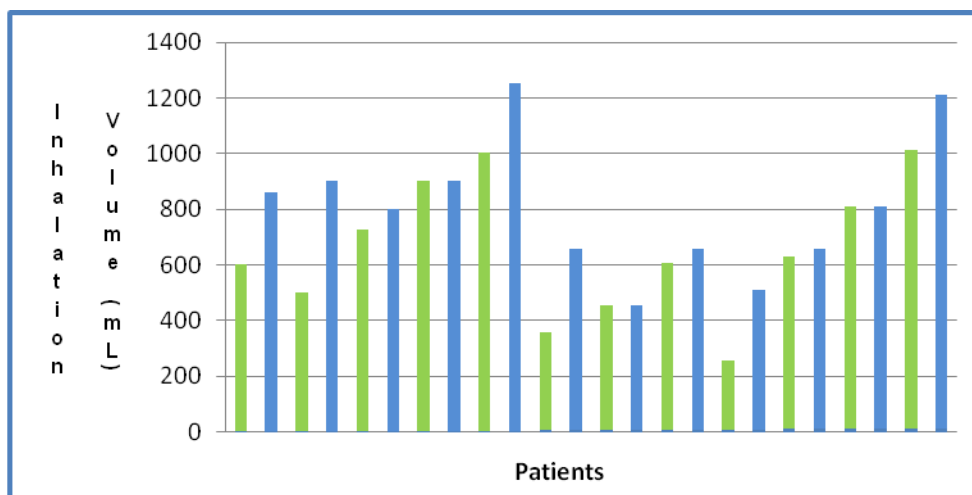
Volumes as well as pre-discharge Tidal Volumes are compared between the two study groups. This is important, as the usage of traditional Incentive Spirometers by the patient have been suspected to be in non-compliance to the physician prescribed, and AARC recommended, number of inhalation exercises. Until the introduction of the Medichip, there has been no practical way of measuring compliance. Clearly the Tidal Volume results of the study when comparing the two groups are impressive. Comparison of Pre-Surgery/Pre-Discharge results for VPIS (Medichip) vs. Pre-Surgery/Pre-Discharge results for the standard Incentive Spirometer confirms the effectiveness of increased patient compliance by the utilization of the Medichip.

The purpose of the Incentive Spirometer as an apparatus used in the medical industry, in order to increase transpulmonary pressure and respiratory volumes, is to improve inspiratory muscle performance and re-establish the normal pulmonary hyperinflation. Performance results are based upon a measurement gauged by the float within the Incentive Spirometer. The higher the float moves up, the better results. Interestingly, the study group using the VPIS (Voice Prompting Incentive Spirometer that incorporates Medichip®) had increased Tidal Volumes per Pre-Discharge by 139% on average in comparison to Pre-Surgery. This clearly indicates patient's lungs had strengthened and improved when using the VPIS (Verbal) Incentive Spirometer. By comparison, the patients using the standard (Non-Verbal) Incentive Spirometer showed absolutely NO improvement. It should be noted that for "Inhalations per session", the VPIS number of inhalations were virtually perfect; The VPIS unit prompts the patient, per IRB protocol at 7 inhalations per hour for 10 hours. It should be noted that for "Inhalations per Session", the VPIS number of inhalations were virtually perfect. The VPIS unit prompts the patient per IRB protocol for 7 inhalations per your for 10 hours, and the patient complies. Conversely the Non-Verbal inhalations were for the most part either too low (does not inflate the lungs) or overly used (can damage delicate tissue). AARC guidelines stipulate the patient should perform between 5-10 inhalations/hour for 10 hours.

**Tidal Volumes Non-Verbal**  
(Green: Pre-Surgery, Red: Pre-Discharge)



**Tidal Volumes Verbally Prompted**  
(Green: Pre-Surgery, Blue: Pre-Discharge)



#### ABOUT THE VPIS

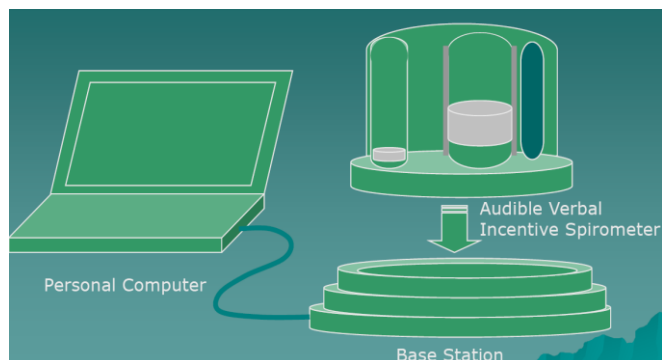
The Voice Prompting Incentive Spirometer (VPIS) uses Medichip® to improve the performance capabilities of any traditional Incentive Spirometer. In the study, the Medichip was incorporated into the housing of the Voldyne 5000 manufactured by Hudson RCI. The Medichip provides the following improvements to all Incentive Spirometers:

- The VPIS contains a built in timer, programmed (utilizing the Base Station), to meet AARC and/or physician recommendations, in order to remind the patient when to start and stop sessions, as well as to guide the patient through the complete usage of the Incentive Spirometer, as required for their personalized therapeutic sessions. This includes starting (verbal prompts on predetermined intervals, when to inhale) and continuing until the patient has completed a full day's session. The unit automatically, without the need for ancillary medical assistance, turns off. The VPIS automatically turns on for the next day's session ready for patient usage.
- The VPIS provides a coaching function that verbally communicates to patients their Tidal Volume scores, compared to levels achieved in previous exercise sessions. This product feature encourages patients to maximize their exercise efforts. The VPIS unit's audible function also assists visually impaired patients, who could not read their score using a traditional Incentive Spirometer, and can now hear their results.
- The VPIS has a memory chip in synthesis with Medichip® allowing the capability of recording the actual date, time and Tidal Volume scores for each exercise session.
- The VPIS system also includes a Base Station, which enables nurses to quickly download data from each patient, and forward it to the hospital's Central Data Banks, patient's physician, insurance company, or any other agency requiring validation of results. This enables physicians and nurses to quickly identify patient compliance

problems or other respiratory complications, and take corrective action on a more-timely basis.

- The VPIS Base Station programs the VPIS device in relationship to (1) How long the sessions will be, (2) How many sessions per day, (3) How many inhalations per hour, (4) What language will be used in accordance to the patient's nationality.

### VOICE PROMPTING INCENTIVE SPIROMETER & BASE STATION



#### ABOUT MEDICHIP®

It is well known in the Medical Community that increased usage of a therapeutic device promotes faster healing and better patient outcome. Using the Incentive Spirometer as an example along with the Medichip integrated into the device, the Medichip allows for a verbal humanlike voice (preprogrammed) providing audible readings of the spirometer along with encouraging phrases like “good, let’s try again”, etc. Medichip®, developed over a four year period, is a commercialized, TRADEMARKED and COPYRIGHTED microchip device.

#### ABOUT P.A.I.D. INC.

Positive Audible Incentive Devices (P.A.I.D.), Inc. was established in 2004 as a private corporation for funding the development of technology to improve compliance to existing Incentive Spirometers. The Medichip was developed through this effort. P.A.I.D., Inc. holds the US registered patent (#6,942,625) and international patents worldwide for the VPIS application. P.A.I.D., Inc. is physically located in Carson City, Nevada, and has been actively involved with leading manufacturers of Incentive Spirometers, worldwide.

#### ADDITIONAL INFORMATION

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