

## **Qbit Completes Conversion, Recapitalization**

Apatoff | Peters Advises Technology Company on Corporate Restructuring

[December 30, 2007] (Rockville, MD). Qbit, Corporation, a Gaithersburg, Maryland-based data compression solutions company announced today that it has completed a series of transactions to assume the operations of Qbit, LLC, and eliminate over \$1.25 million in debt. The transactions converting the operations of Qbit from a limited liability company to a corporation come as Qbit prepares to launch commercial versions of its revolutionary and patented data compression products and solutions.

Qbit is a data services company that specializes in pattern recognition and compression algorithms that can be applied to a wide variety of commercial applications, including lossless compression/decompression for high resolution frame based images and video, and audio. Qbit has pending twenty two patent applications (with more in the process of being filed), in addition to a marketable line of algorithmic compressor/decompressors (called "CODECs"). These CODECs are a significant improvement over existing lossy and lossless compression tools by virtue of their absolutely lossless compression and much smaller executable file size, making them embeddable inside hardware devices that handle images, video or audio such as cameras, scanners, MP3 players and digital set-top boxes. Qbit is on the worldwide web at [www.qbit.com](http://www.qbit.com).

Apatoff | Peters, LLC, acted as counsel to Qbit for the transaction. Firm Principal Adam Apatoff advised on corporate governance, structuring and financing issues, with the assistance of Associate Jeff Norris. Firm Principal Craig Peters advised on corporate and transaction structuring and tax considerations for the transaction.

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