

Press Release

In the Face of Record Sales, North American Medical Takes Action Against Unfair And Unethical Competitor Tactics

Atlanta, GA., December 14, 2004

North American Medical Corporation again finds itself in the position of being required to correct inaccurate information being disseminated by Axiom Worldwide. Axiom, the makers of the deliberately named DRX- not to be confused with the DRS once manufactured by Cluster Technology Corporation- have reacted negatively to the huge gain in market share which North American Medical has been experiencing. Axiom has released yet another inaccurate and misleading statement on their corporate website this weekend which falsely gives the impression that they have some sort of court claim against North American Medical Corporation.

The principals of Axiom Worldwide, Gibson and Exarhos (who are also former principals of Cluster Technology Corporation) have two judgments in their capacities as individuals against Cluster Technology Corporation and its subsidiary, Universal Pain Technology, Inc. Their judgments by consent stemmed from claims they alleged of their former employers. Prior to the judgments, Cluster Technology Corporation and Universal Pain Technology, Inc. essentially ceased operations after being thrown into bankruptcy by the board that originally seated and then terminated both Gibson and Exarhos.

Not a single dollar of the two judgments awarded is against North American Medical. In fact, North American Medical was never even a party to the lawsuit giving rise to the judgments. Further, contrary to the implication Axiom sought to create by mentioning North American Medical's SPINA System™ in its press release, the SPINA System™ is not part of the previous litigation and neither it nor any other North American Medical products are at risk as a result of the judgments. "Axiom has continually released statements cleverly worded to make the unwary reader falsely believe that NAM is a party to that judgment. It is an obvious attempt to make the uninformed believe that the NAM powerhouse is legally obligated to Axiom," said Jeffrey Korn, in-house counsel of North American Medical. "If anyone is or has been told that NAM is legally obligated to Axiom, they have been lied to."

North American Medical's legal team has launched a strike pointing out other clearly erroneous and materially misleading statements in the press release and has demanded that Axiom cease and desist its deceptive trade practices and defamatory conduct in publishing the press release. "Axiom has deliberately flouted applicable law in an attempt to bushwhack North American Medical into submitting to a deposition in aid of execution in a matter which has nothing to do with North American Medical" stated William C. Nesbitt, Juris Doctorate and Executive V.P. for North American Medical. "Sure, Axiom withdrew those subpoenas after they were warned that they were improper and illegal, but it is a clear message to me that if they can't compete with our products on technology and value they will attempt to compete by creating false impressions about our financial viability."

North American Medical regrets that it has been forced to publish this press release. While North American Medical is concerned about the ill effects to the industry at large and the negative backlash which may result from responding to any smear campaign, North American Medical is more concerned about the ill effects of doing nothing. "Doing nothing only facilitates consumer misinformation and would in effect reward Axiom for their misconduct," said Nesbitt. "We will not lay still against anyone attacking North American Medical's enviable reputation and highest standing in the industry."