

**NetTalon Security Systems, Inc.
3304 Bourbon Street, 3rd Floor
Fredericksburg, VA 22408**



***Annual Shareholders Meeting
"Fiscal 2015 in Review"
Tuesday, May 10, 2016 at 10:00AM***

2016 Election of Directors

PLEASE VOTE FOR EACH CANDIDATE

The undersigned hereby authorizes the Designee: _____ to vote as follows for 2016 Directors.

A "YES" VOTE IS IN FAVOR, A "NO" VOTE IS AGAINST CANDIDATE

BOARD CANDIDATES	YES	NO
Thomas S. Jeffrey, III		
Donald R. Jones, Jr.		
John Allen		
Ronald Dubois		
George R. Hinant		
William Hunter		
Gen. Frederick J. Kroesen, (Ret.)		
Randolph Taylor		

When properly executed, this proxy will be voted as designated above by the undersigned. PLEASE REMOVE PAGE, MARK, SIGN, DATE, AND RETURN YOUR PROXY BY FAX (540-368-5294) OR U.S. Mail on or before May 6, 2016.

The undersigned hereby acknowledges receipt of the Notice of Annual Meeting of the Shareholders of NetTalon to be held on May 10, 2016.

Signature of Shareholder _____ Signature of Shareholder _____
 Name (please print) _____ Name (please print) _____
 Date: _____ Date: _____
 e-mail: _____ e-mail: _____

Announcement Annual Stockholder Meeting

Tuesday, May 10, 2016
10:00 AM – Noon

at

NetTalon Security Systems Headquarters
RADC0 Building
Ground Floor Conference Room
3304 Bourbon Street
Fredericksburg, VA 22408

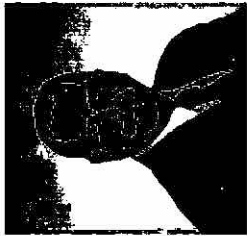
Meeting & Proxy Information Will Follow

R.S.V.P.

Ron Dubois 877-638-8256
rdubois@nettalon.com

Randolph Taylor represents the epitome of entrepreneurship. With a forward thinking attitude paired with commitment to his employees and his visions, he has continued to initiate innovative thinking and product expansion for Absecon Industries. Randolph Taylor exhibits an uncanny ability to pass his enthusiasm and dedication along to his employees, providing hope and a solid future to the Absecon industry associates, many of whom have remained with the company since Mr. Taylor began his career at Absecon Industries over 30 years ago.

Under Mr. Taylor's direction, Absecon's global presence continued to expand, and you will now find Absecon products in Mexico, Australia, Asia-Pacific, Europe, Canada and the Middle East. Mr. Taylor has traveled widely promoting American manufacturing. With a strong family history of military service, Randolph dedicated himself to protecting our armed forces and, in doing so, created a division that weaves anti-ballistic fabrics for use in hard and soft armor for the military.



on the taxable parcels residing in its district. As it exists now the fiscal piece states the fee cannot exceed \$10 per month and cannot extend beyond 60 months—a five year loan. The Senate Fiscal Committee performed a study of this revenue generation approach and reported it would raise \$2.38. Please see the Daily Signal article in the print history for a good discussion on the safest school in America and community based funding.

NetTalon has determined retrofit costs for two Indiana School Corporations. Each corporation has six schools. One has 1,735 students and approximately 5,500 taxable parcels. The retrofit cost is \$2,859,374 with interest calculated. Based on a 5 year loan the taxable parcel monthly fee is \$8.66. The other has between 5,000 and 6,000 students and 17,000 taxable parcels. The retrofit cost is \$7,006,165. Based on a 5 year loan for this district, the monthly is \$6.86. Today, under existing funding avenues, this kind of expenditure is not possible. With an amended law it will be readily practical.

2016 Funding and Business Goals

In order to take advantage of the opportunity offered by Public law 27 we need to secure major funding as soon as possible. With the signing of SB147 into law there are opportunities developing for significant investment. Investment is the way forward as significant revenue is not expected until next year with Public law 147 being amended. Not getting the \$5M for the pilot schools was a disappointment and would have dramatically changed our financial situation. The decision making on the pilot schools changed some point in the fall when the availability of the three schools on the Indiana National Guard Muscatatuk Training Center became known to DHS. The thinking turned to the opportunities for unlimited training and testing that could be conducted 24x7 with vacant schools to include the anytime employment of countermeasures to thoroughly study the effects of the measures and to develop different tactics in their deployment. I believe that this will ultimately become a National Training Center for Emergency Response Systems as other states replicate the Indiana model. The DHS testing will offer a revenue opportunity.

Our goal is to raise 3M to do the following:


1. Undertake and complete important engineering, software and technical upgrades to Virtual Command—essentially an upgrade to Version 2.
2. Begin Business development in Indiana and begin to generate revenue.
3. Continue with strategic backing of lobbying support for the standards and fiscal element of the new law in Indiana.
4. Continue with the expansion into other states using the law enforcement/legislative model.

The success in Indiana to move to a school safety standard is creating the opportunity for a code standard for school building security to protect occupants from an attack by an armed person or persons. What is happening is very analogous to what happened for the fire alarm detection industry and the fire suppression industry where they achieved the mandated requirement for these systems in schools and all commercial, city, state and federal buildings. Educational institutions are governed by strict fire/life safety codes. The potential for this to happen for security life safety took a big step forward on March 21st.

Many people have made loans and investments and 2nd loans and investments to keep the dream alive. My thanks to everyone for their great support. I never would have imagined a 16 year journey, but I do believe we are within 18 months of a successful conclusion. Our primary exit strategy is one of acquisition.

I would also like to take a moment to thank and commend our loyal NetTalon employees who strongly believe in our vision and are primarily responsible for our continued existence. Lastly, I would like to express my personal sympathies to the family members of those in the NetTalon family who passed this year. I was especially sad for the loss of Herb Striner who played a significant leadership role in NetTalon's early years.

Sincerely,


Donald R. Jones, Jr.
President

Southwestern as the standard. It is a seven star school and will be used as the measuring stick for all other schools in IN because of all of its capabilities

- Sheriff Deputies and school resource officers will be visiting schools over the next couple of years to rate them. This will provide Director Kane with an accurate picture of what the security levels are of all the schools in IN today. DHS will give grant money to schools requesting it for security protection which is a way to help move the schools forward.
- When released it is expected the bid will be competitive. NetTalon feels confident that it is able to meet all the specifications detailed by the "Best Practice Solution".
- At this time, it looks like Indiana DHS favors six test sites, five schools and a training center at the National Guard facility for law enforcement.
- The proposed Indiana Bill is a permissive bill which will allow communities to decide at what level they want to protect their children.
- NetTalon's system has the ability to alert, protection of victims in the space, actual intelligence and countermeasures which empowers law enforcement
- NetTalon is in process of receiving a patent on the countermeasures, meeting tomorrow with patent attorney
- The Executive Director of the Sheriff's Association in WI, MI, OH, KY, TN and AR want flagships and have political connections to model the IN Bill due to success in IN

Ron Dubois talked about NetTalon's exit strategy stating that NetTalon needs to go from an entity with no revenue to an entity that has revenue. The goal for 2016 is to start with Southwestern High School which is a \$600K job and DHS \$5M contract. The goal is to get to the point that we have jobs to do or jobs that we want to do.

PPM. Our lawyers and the Board decided and we agree that it would be triggered on the DHS money because without it, it's all speculative, therefore we can't use the PPM. It was written to the point that it's based on accomplishment and not promises of accomplishment.

Ron Dubois provided a brief update about prices of a system and the different components. DVDs of the countermeasures being fired (shown on The Today Show) were distributed to interested shareholders.

Patent Infringement. NetTalon's system has multi-conditional sensors which is how we track and other companies are so far behind.

It was mentioned that Herbert "Herb" Strimer, former Chairman of the Board, passed in 2015. He was a great guy and will be missed.

Don Jones stated that 90 Day Convertible Loans @ \$0.50 share were available which could be converted to stock.

John Allen - Mr. Allen is a native of Spartanburg, South Carolina and a 1967 graduate of The Citadel. After one year of coaching freshman football and baseball at The Citadel he entered the US Army as an Infantry second lieutenant. He attended Airborne and Ranger training, later becoming a member of the elite 5th Special Forces Group. Upon completion of his training, Mr. Allen was assigned to the Phoenix operations in Southeast Asia under the command of the CIA's Chief, William Colby, who later became CIA Director and close friend for many years until Mr. Colby's untimely death in April 1996.

After his return from Southeast Asia, Mr. Allen began a career in intelligence in areas of the world including Central and South America, China, Russia, Eastern Europe, Central Asia, and the Middle East. His expertise in Counter Terrorism and special weapons, including biological weapons, has given him a wide range of unique opportunities which included the coordination of all US government agencies' counter terrorism response teams for the 1984 Olympics in Los Angeles to the dismantlement of the largest biological warfare facility in the world built by the Soviets and located in Kazakhstan. He is the only person in history to have had the responsibility for dismantling a biological warfare facility. He has appeared numerous times over the years on Fox News in Washington DC as an expert commentator on Counter Terrorism.

In 1981, Mr. Allen moved to Washington, DC to work at the White House for President Ronald Reagan. After his tenure at the White House, he founded the consulting firm of John Allen & Associates International. Since it's founding in 1982, the company has been active in a wide range of projects in over 65 countries. Mr. Allen has served on advisory committees for six US Presidents and has extensive experience working with Congress, senior policy-making officials in almost all federal agencies in addition to many high-level foreign officials and Heads of State.

Due to his years of experience in foreign relations, he was selected by three separate US Secretaries of Commerce to accompany them on Presidential Trade Missions. These Trade Missions included the very first US Presidential Trade Mission to Russia with the late Secretary Ron Brown in 1995, the Middle East with Secretary William Daley in 1998, and in December of 2002 to South America with Secretary Don Evans.

Upon his return from South American with Secretary Evans in December of 2002, Mr. Allen and his family left Washington DC and moved to Greensboro, NC. He continues to stay involved in several international ventures and travels frequently to the Middle East and Europe.

Ronald Dubois, Ph.D. - As one of NetTalon's founders, Dr. Dubois has served as director and treasurer since October 1998 and secretary since 2002. As director of administration and finance, he is responsible for managing the day-to-day administrative and financial activities of the company and its corporate governance and intellectual property.

Prior to joining the private sector, Ron had a twenty year career in academia, holding a variety of administrative and teaching positions. He spent six years as the vice president for finance and operations at Chamblaine University in Honolulu, Hawaii. Dr. Dubois earned a B.A. and Ph.D. in Chemistry.

Early in his career, he worked in infrared/ultraviolet and NMR spectroscopy. While at Texas A&M University, he was a Robert A. Welch postdoctoral fellow. In recent years Ron published articles in security/fire trade journals. Ron and his wife Andrea reside in Dumfries, Virginia.

Comparative Profit and Loss Statements

In order to develop and test NetTalon's new products, i.e. the Signaling Station, the Early Alert Technology, and the non-lethal chemical deterrents being deployed in our Indiana Southwestern Consolidated School District site, the Company rebuilt it's engineering and product support team.

UNAUDITED PROFIT & LOSS 2015 - 2011	2015	2014	2013	2012	2011
Ordinary Income/Expense					
Total Income	\$ 18,144	\$ 47,000	\$ 81,707	\$ -	\$ 1,145
Total COGS	\$ 390	\$ 84,407	\$ 49,747	\$ -	\$ 646
Gross Profit	\$ 17,754	\$ (37,407)	\$ 31,960	\$ -	\$ 497
Expense					
Employee Compensation	\$ 678,797	\$ 616,917	\$ 395,519	\$ 281,627	\$ 349,171
Employee Benefits	\$ 60,155	\$ 66,908	\$ 79,313	\$ 72,325	\$ 67,445
Taxes & Licenses	\$ 62,054	\$ 61,912	\$ 39,358	\$ 51,643	\$ 89,268
GAO Operating Expenses	\$ 391,603	\$ 665,401	\$ 895,686	\$ 1,179,587	\$ 758,940
Amort/Deprec					\$ 71,756
Total Expense	\$ 1,193,209	\$ 1,401,138	\$ 1,409,924	\$ 1,585,183	\$ 1,335,580
Net Ordinary Income	\$ (1,175,455)	\$ (1,438,545)	\$ (1,377,964)	\$ (1,585,183)	\$ (1,335,082)
Net Other Income	\$ (272,705)	\$ (43,324)	\$ (53,269)	\$ (54,126)	\$ (238,905)
Net Income	\$ (1,448,160)	\$ (1,481,869)	\$ (1,431,233)	\$ (1,639,309)	\$ (1,573,987)

2016 Annual Shareholders Meeting

Agenda

NetTalon Security Systems, Inc.

10 A.M., May 10, 2016 at

NetTalon Security Systems Headquarters

RADCO Building, Ground Floor Conference Room

3304 Bourbon St.

Fredericksburg, Virginia 22408

1. Annual Meeting called to order.
2. Board of Directors Election Results
3. Introduction of Board of Directors.
4. Proof of notice of Annual Meeting (April 5, 2016).
5. Call for approval of 2015 Annual Meeting Minutes.
6. President's Report to shareholders.
7. Secretary/Treasurer Report to shareholders.
8. Shareholders - Questions & Answers.
9. Meeting Adjourn.