

## Summary of Our Research Findings

July 2016

*Globe Small Cap Research, LLC*

**Company Report**

**Hammer Fiber Optics Holdings (OTC:HMMR)**



- ✎ This report offers an analysis of Hammer Fiber Optics Holdings Corporation.
- ✎ Hammer is in process of organizing its operations and is preparing for the installation of a state-of-the-art wireless telecommunications access network that mimics fiber optic speeds to businesses, other telecommunications carriers, and even residential properties.
- ✎ The Company has settled on proven state-of-the-art point to multipoint telecommunications gear that can be deployed rapidly and be used to potentially generate significant high-margin revenues.
- ✎ The Company will be using a hybrid strategy that combines fiber which connects its towers to data centers and “fiber-through-the-air” connections to a customer’s premises.
- ✎ Within the chosen service areas, very little competition exists. We think this an important aspect to consider when evaluating this Company.
- ✎ Hammer is operated by a management team with experience in building telecommunications networks. We consider this a critical success factor for the Company.
- ✎ Audits are complete at the Company with all SEC filings currently up-to-date.
- ✎ We believe there is value in a business targeting the wide-open field of high-speed wireless access services.

## **Company Report**

### **Hammer Fiber Optics Holdings, Corp. (OTC:HMMR)**

#### **Report Contents:**

**Overview of Hammer Fiber Optics Holdings, Corp**

**Background on the state of the current local telecommunications infrastructure**

**Overview of the technologies Hammer Fiber Optics is planning to deploy**

**Analysis of critical success factors and positives for the Company**

**Overview of Company's Objectives for Growth**

**July 2016**

**Please Review the Important Disclosures**

**Globe Small Cap Research, LLC**

## **Executive Summary**

Hammer Fiber Optics Holdings Corporation, is a New Jersey based alternative telecommunications carrier that is in the process of raising capital in order to deploy a point-to-multipoint high-speed wireless

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data network in New Jersey to service the needs of businesses, cellular carriers, telecommunications aggregators, multi dwelling unit property owners, and even residential customers who do not have access to reasonably priced high-speed telecommunications services.

While over the past 20 years there have been extensive deployments of fiber optics within the telecommunications environment, the vast majority of these installations have been in the telecommunications network high-speed backbone or intercontinental communications. With only a few exceptions, the “ last mile” of the North American telecommunications infrastructure is still based on copper wires and coaxial cables. This lack of infrastructure improvement continues to be a major bottleneck in the development of a true high-speed information environment.

The telecommunications equipment industry has developed a set of advanced wireless communications devices that enable innovative service providers to deploy such assets in order to provide businesses and consumers the high-speed connectivity that is increasingly being desired. Hammer’s management team plans to utilize this latest generation of equipment to provide high-speed data services to customers in New Jersey and metropolitan Philadelphia. Because these networking technologies can be deployed in an economical manner and are well proven, we believe Hammer has a strong possibility of gaining customers and growing revenues over a relatively short timeframe.

One of the critical success factors for the Company will be its cost of capital, but additional factors relate to the expertise of its management team, its ability to rapidly deploy the purchased infrastructure assets, and its ability to attract customers to what is often viewed by consumers to be a new and in some ways a confusing competitive local service offering.

Positives for the Company are its extensive management expertise, its selection of proven technologies, the lack of competition in its chosen geographic area and some geographic protection provided by its infrastructure provider.

There is clearly a need for alternative high-speed local telecommunications services, particularly amongst members of affluent communities who are rapidly increasing the number of communications devices owned and the amount of data they are consuming.

Hammer Fiber Optics Holding Corp. trades on the over-the-counter market under the symbol HMMR. Because it is fully audited and current in its SEC reporting requirements, we believe the Company is poised to upgrade its trading venue to the more prestigious OTCQB upon its funding package being secured.

**HAMMER FIBER OPTICS HOLDINGS, CORP.**  
**(OTC:HMMR)**

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## Introduction to Hammer Fiber Optics

Hammer Fiber Optics Holdings Corp., trades on the over-the-counter market under the symbol, HMMR. Hammer Fiber Optics is headquartered in Point Pleasant Beach, New Jersey, which is in Ocean County, along the Jersey Shore.

Hammer is a relatively new operation having been recently formed in its current public format in April of 2016 via a share exchange agreement with Hammer Fiber Optics Investments, LTD. While the Company's shares currently trade on the over-the-counter market, it is likely eligible for upgrade to the OTC Markets Venture trading system (often called the OTCQB) as the Company is current in its Securities & Exchange Commission filings and it appears to meet the other minimum listing requirements. We feel that it is likely such an upgrade to the OTCQB will soon take place.

We are always in support of such a move to the OTCQB as we believe it enhances shareholder confidence and contributes to market-making activities in the securities typically leading to increased liquidity for all. The Company is fully audited with a quality auditing firm called, Paritz and Company, PA.

As of the most recent filing with the SEC, there were only 75,000 shares outstanding. However, the Company is currently in the process of raising funds to launch and grow its operations. It seems likely that an additional five million shares will be added to the outstanding total over the coming months should the Company be successful in its fund-raising efforts. Additionally, it appears the share exchange agreement that created the Company in its current form has yet to be ratified by the board of directors. This closing and ratification will add an additional 50 million shares to the total. This will yield an approximate total common share count of just over 55 million total shares.

Hammer is a telecommunications service provider, which in the telecommunications business is usually referred to as a telecommunications carrier - specifically in the case of this company it will be an alternative telecommunications carrier in that it will be seen as an alternative service provider to the traditional and more entrenched telecommunication services companies.

A key market differentiator is that Hammer is poised to comply with the FCC Net Neutrality laws whereby no capping or degrading of content delivery will be experienced over Hammer Fiber Networks. It is a unique platform for those subscribers intent on "cutting the cord" and having the ability to select content of their choice by selecting the ever growing Over-The-Top ["OTT"] offerings becoming more and more popular every day.

The above point is very important as this does not happen with the incumbent operators. Thus, this is important to Hammer's overall competitive differentiation.

Hammer is seeking to focus on providing high-speed telecommunication services to poorly served areas of New Jersey and metropolitan Philadelphia. Hammer plans on several types of service offerings targeted at large companies that operate data centers, other telecommunications carriers, aggregators of telecommunication services, medium size businesses, and even to residential customers that are poorly served by broadband services by the major telecommunications and cable television providers.

## The Important Industry Background

During the mid-1990s an unprecedented boom in fiber-optic installations occurred, not only in the United States, but also through much of the industrialized world. For a period of approximately ten years beginning in 1994, millions of miles of fiber optic cables were plowed into the ground and sunk into the world's oceans. This fiber optic capability was significantly needed as businesses and consumers discovered the advantages of the internet resulting in massive amounts of data communications that needed to be transmitted in and out of the internet.

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By the time the fiber-optic installation boom slowed it seemed to many that nearly the entire world had been connected via fiber optics. While this was the popular understanding, it was and is completely inaccurate.

The simple fact is that the vast majority of the fiber optics installed during this boom period were highspeed links between major internet hubs and telecommunications carrier central offices. This left a situation where the information superhighway was full of autobahn like multilane freeways being fed by single lane on ramps and off ramps.

Unfortunately, this situation perpetuates today.

## **The Last Mile Realities – More Antiquated Than Most Believe**

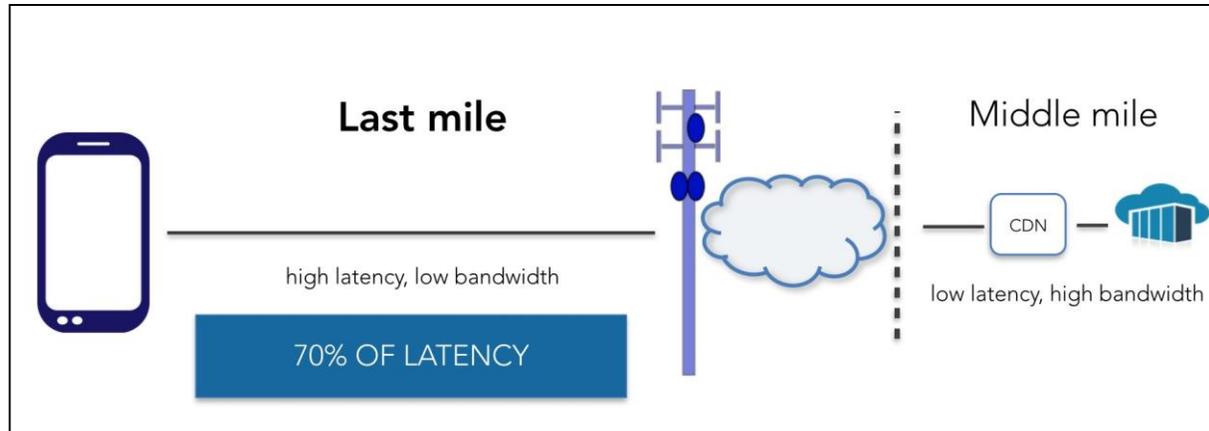
Consider Exhibit 1, which outlines the typical situation of what is often referred to in the telecommunications industry as the “last mile”, meaning the infrastructure that connects the average home or small business to the telecommunications network.

For all the talk of high-speed fiber-optic communications, the vast majority of these connections are still old-fashioned copper wires. To some extent, the cable television infrastructure is also being used to connect homes and small businesses, but the average data through speeds available over CATV infrastructure are also rather limited.

Regardless of whether this last mile is copper wires supplied by the legacy local telecommunications service provider or coax cables supplied by the cable television company, the installed infrastructure is still woefully inadequate to support the high-speed data communications needs of today’s consumers.

It is only when these local connections are aggregated into the telecommunications network that the signals are converted into fiber optics.

## Exhibit One –The Last Mile in Telecommunications – Almost as Slow as Ever



Source: Signalmaven, LLC

The reason for such limited fiber optic deployment is rather simple. Such deployments has proved to be much more expensive than most in the telecommunications industry originally estimated. Plowing up streets, digging trenches, breaking up sidewalks and drilling holes in the sides of buildings is not only incredibly expensive, but also incredibly disruptive to residential and business customers. For these reasons, the vast majority of fiber installations that were planned for small/medium businesses and residences simply did not occur.

Larger companies with significant data and telecommunications needs have been installed with fiberoptic services, but these users typically have the telecommunications densities to justify the cost and disruptive related expenses.

An additional reason that fiber deployments have been slower than expected is that wireless service providers and cable television companies provided stopgap medium speed data services. When these services first came onto the marketplace users were excited simply because the speeds were significantly faster than what they had been receiving. However, as data utilization rates have grown and then boomed over the past few years even these medium speed data services now seem antiquated.

The inadequacies of the last mile of the telecommunications network is one of the biggest bottlenecks in the development of high-speed services in support of many applications that consumers desire. With the cost profile of fiber optic deployments changing little over the past few years, it is clear that alternative last mile high-speed data solutions are needed within the marketplace.

### The Dark Fiber Network

As discussed above, massive amounts of fiber optic communications were put into the ground during the telecommunications infrastructure booms in the late 90s and early 2000's. Some of this fiber optic infrastructure was "lit", meaning it was actually connected to electronics on each end of the fibers and utilized for transmissions for customers. A significant portion of the installed infrastructure, however, was not ever utilized and has remained in a dormant state for years. This unused fiber optic capacity is called "dark fiber".

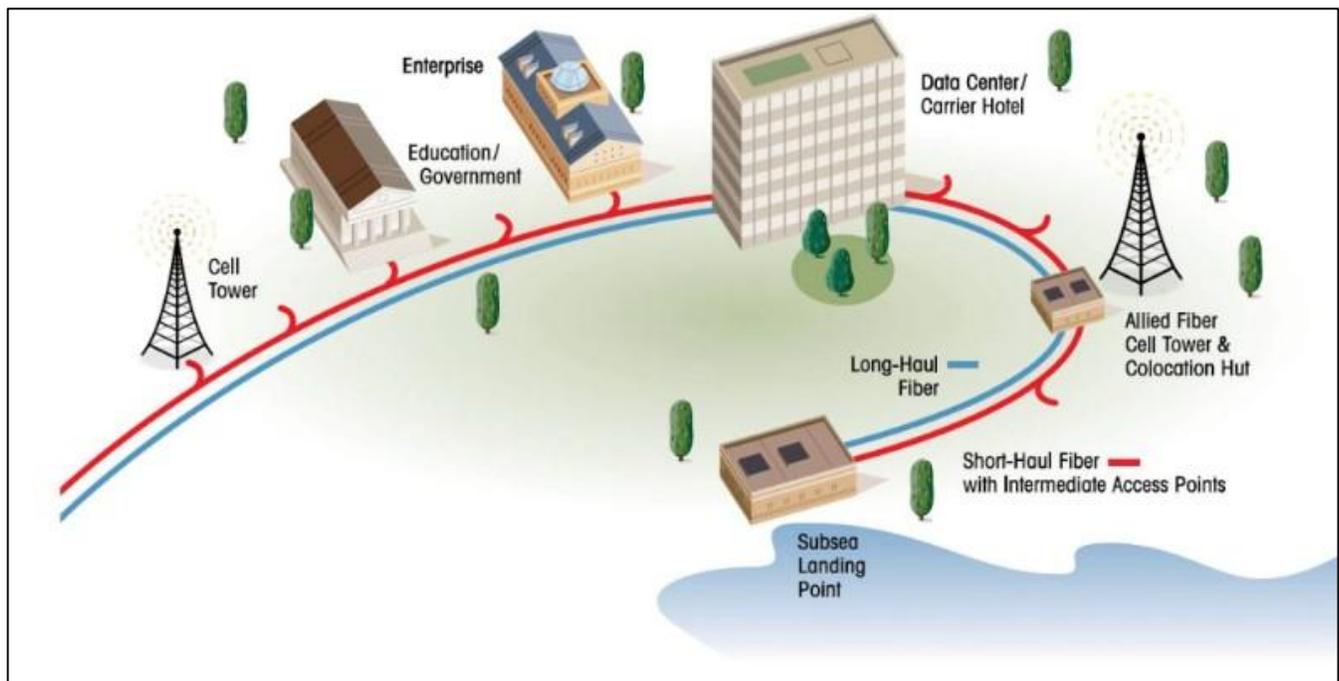
Pricing for fiber-optic transmissions are priced like most other commodities - as a function of supply and demand. High-speed links between major cities are in high demand and thus prices are also very high. As prices have risen on major routes and as the demand for data communications continues to rise at an almost exponential rate, alternative routes are being sought for data communications traffic. These

market forces bring into play many of the dark fiber routes that have been idle in the ground for many years.

Entrepreneurial companies are able to lease segments of dark fiber and by supplying their own purchased or leased electronics at each end are able to “lite” the fibers and sell the capacity to parties who demand data transmission. These newly lit fiber routes can then be tapped into to connect business customers, cellular companies, internet service providers, or other data communications centric entities, generating what can often be high-margin revenues for the entrepreneurial company.

Exhibit Two outlines such a business opportunity. In this example, there is a fiber route from a transoceanic, submarine fiber optic cable termination point. The fiber optic cable from the termination point traverses a metropolitan area. Where some of the individual fibers within this cable may have already been “lit” by other service providers, there are other fibers that remain dark. An entrepreneurial telecommunications carrier can simply lease these dark fibers, install electronics, such as wavelength multiplexing equipment, and begin offering high-speed communications services to businesses along the physical route of the fiber.

### Exhibit Two – Typical Dark Fiber Network Business Opportunity



Source: AT&T

## **Hammer's Business Model in the Current Telecommunications Environment**

Considering the state of the telecommunications infrastructure in most non-rural portions of the United States, Hammer Fiber Optics has several lucrative business opportunities, particularly relating to high-speed last mile solutions and dark fiber related opportunities.

### **Hammer Fiber Optics Last Mile Business Opportunities**

One of the major business opportunities that Hammer is pursuing is its high-speed last mile services to businesses, internet service providers, and even residential customers who have needs for high-speed data communications.

As we stated earlier, one of the major reasons fiber optics has not penetrated directly to homes and medium and small sized businesses is the cost of installing the fiber optic facility between the telecommunications carrier's office and the customer's location. This cost remains prohibitively high with little changing over the past ten years. Therefore, innovative telecommunication service providers are instead installing high-speed wireless links to provide the high bandwidth data required.

Many of these high-speed wireless technologies provide data throughput rates that match previous generation fiber optic speeds. Some in the telecommunications industry have actually referred to these wireless technologies as wireless fiber optics, which we realize makes absolutely no sense because fiber optics uses light waves in glass fibers while these high-speed wireless technologies use radio wave energy between endpoints. But, nevertheless, these high-speed wireless technologies are incredibly fast offering data throughput rates of up to 2.5 Gb per second with some new technologies promising even faster throughputs - so therefore, many refer to these high-speed technologies as wireless fiber optics.

The installation of these wireless high-speed data technologies are now cost feasible and are becoming a viable solution to solving many of the inadequacies of the mainly copper and coaxial-based local loop and the last mile infrastructures that remain installed in most of America.

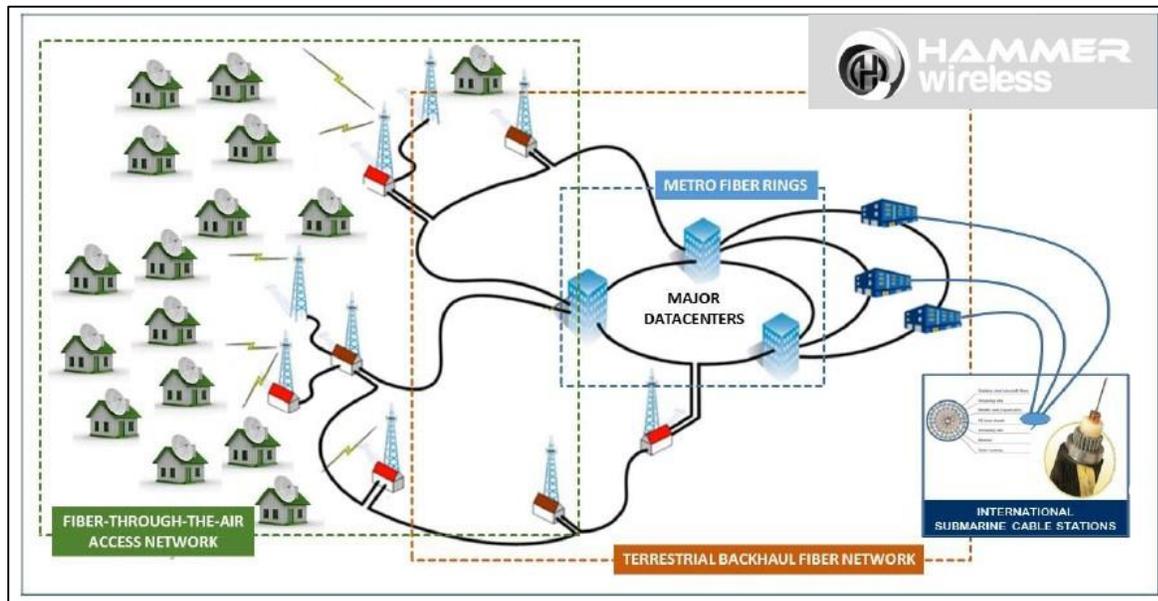
The process of installing the network infrastructure to provide high-speed wireless links to customers is fairly straightforward. While we could discuss at length all of the technical details, such specificity is outside the scope of this report. Such an installation, however, typically relies on the service provider, in this case Hammer Fiber Optics, installing a single tower that contains a variety of telecommunications related equipment. This tower is usually located in a fairly densely populated area in a centralized location with good line of sight to customers.

In Hammer's case, it has settled on a wireless technology that is based on the very well proven cable television communications standard called DOCSIS 3.0, that outlines the transmission rates and protocols that are used between the endpoints. After installing the centralized tower and equipment, Hammer's sales personnel will then be able to solicit homes and businesses anywhere with an approximate six mile distance from the tower offering data productivity services and enhanced service offerings.

Installations at the customer end of the wireless links are also fairly straightforward and consist of a network unit being installed on the rooftop or on the side of the building. This unit captures the signal from the tower and transmits the signal from the business or residence back to the tower.

Exhibit Three Outlines a typical Hammer last mile network configuration. The left side of the diagram shows various telecommunications towers that had been erected providing wireless data links to various homes. The Company refers to this as fiber-through-the-air.

## Exhibit Three –Typical Hammer Fiber Installations



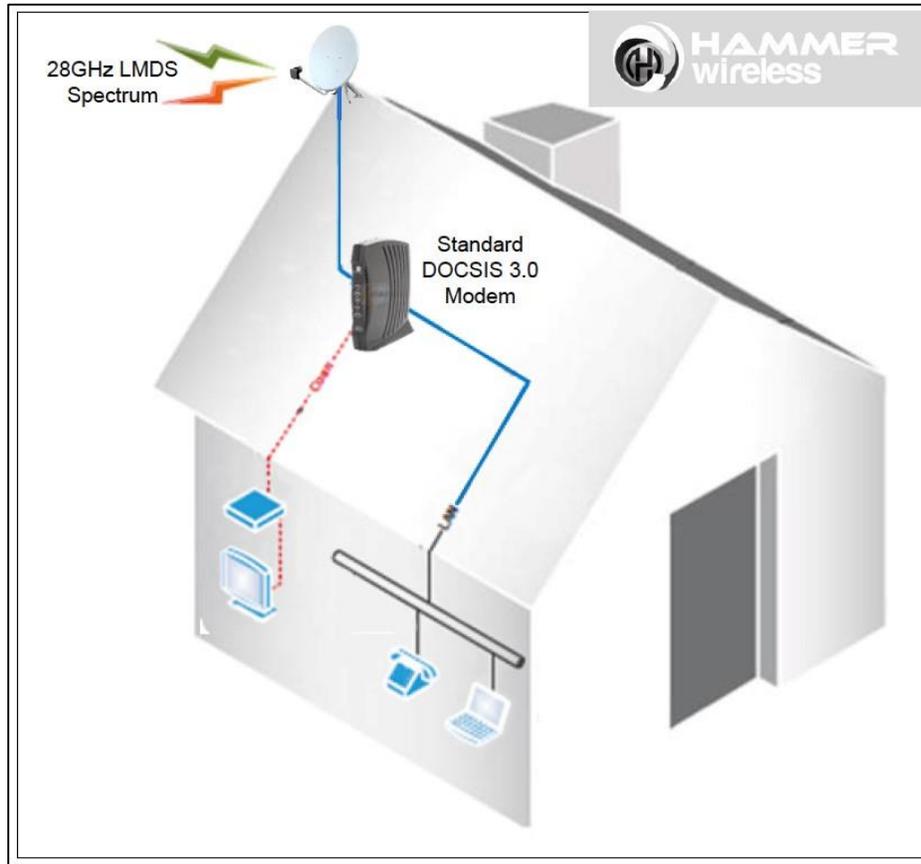
Source: Hammer Fiber Optics

The economics for the end customer make a lot of sense. The customer is able to gain high-speed wireless access that is only available from its local telecommunications carrier or cable television provider at extremely high prices, if available at all. For example, Hammer currently charges as low as \$69.99 a month for internet and voice services on a one-year contract, which may also require the customer to pay for equipment. Other plans are offered to customers for longer service terms, which include free equipment.

The equipment typically required at the customer's location is a modified standard satellite dish. This unit differs from dishes use in satellite applications as it contains a different type of transceiver. Standard satellite transceivers only receive signals. For Hammer's application, the standard transceiver is replaced with a component that allows for receipt and transmission of signals enabling the required two-way communications.

This outside unit is then connected via a cable to a cable television like modem that connects digital devices within the home and converts the digital signal to analog for home devices such as legacy telephones. Installation of the system at the customer's location is handled by Hammer and typically takes a couple of hours. Usually the installation labor is outsourced from independent contractors. Exhibit Four shows a typical installation of a residence.

## Exhibit Four - Typical High-speed Wireless Configuration in a Residence



Source: Hammer Fiber Optics

In addition to straight wireless conductivity, Hammer offers a variety of enhanced services, including what is referred to in the telecommunications industry as double play (internet and telephony) and triple play services (internet, telephony, and television).

There is an approximately six-mile service range possible between the customer's location and the Company's tower. Therefore, part of the marketing process for the service is to determine customer eligibility. Most companies in this business, including Hammer, have online tools that enable the customer to enter his or her address to determine if the residence or business desiring service is within the range of the tower.

### Multi-Dwelling Unit Business Opportunities

In addition to residential services for single family units, the Company is also targeting businesses for high-speed wireless data communications connectivity for multi-dwelling units such as apartment and condominiums. It is quite common for the owners of multi-dwelling units to act as service providers for voice data and television services. The building owner makes a deal with the service provider with the owner then marking up the services to the residents as a profit center.

Installation of such services are similar to that of a residence in that a single unit installed on the side of the building or on the rooftop. For installations for multi-dwelling units the installation differs in that the receiver is then connected to various types of equipment that split and aggregate the signal for distribution to the individual units within the building.

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The provision of services to multi dwelling units is often highly profitable for service providers, such as Hammer, because a single unit can be used to service many individual customers. Additionally, data throughput rates are more efficient for multiple users across a single link, potentially yielding better overall throughput utilization for the carrier. For these reasons we expect Hammer to aggressively pursue the multi dwelling unit business model.

### **Business Offerings**

As we discussed above, most of the infrastructure in the last mile that services small and medium-size businesses is still copper and coaxial cable-based. Larger businesses have been able to justify the installation of a high-speed fiber-optic cable, but the economics have not played out in this manner for most medium-size businesses and nearly all small businesses.

These new service offerings based on high-speed wireless technologies, however, change the cost equation considerably for many businesses, especially medium-size businesses with multiple employees. With these new service offerings very high-speed data rates can be gained without the expense of plowing in a fiber-optic cable or paying the high monthly costs associated with such highspeed data services. Business services such as those to be offered by Hammer will allow businesses to simply have a unit installed on the roof top and a few pieces of standard off the shelf equipment installed in the premises in order to gain near fiber-optic speeds at a very attractive price.

For example, Hammer is offering businesses within its service area data connectivity of 100 Mb per second from the network to the building (downstream) and 20 Mb per second from the building to the network (upstream) for only \$190 per month. Truly a bargain compared to fiber optic rates in the local service area, if such rates were even available.

Hammer is also able to provide its customers even faster data rates on a custom configuration

### **The Dark Fiber Opportunity**

Within its chosen service territory, Hammer is able to acquire dark fiber from current cable owners. It can then install the necessary electronics on the dark fibers in order to connect its towers back to the network access facilities. In this particular configuration, the dark fiber is acting as telecommunications infrastructure to support the towers allowing the Company to realize considerable cost savings compared to alternatives.

Additionally, Hammer is also able to sell high-speed fiber optic capacity directly to businesses that may be along the dark fiber pathway. While this is an area the Company has pursued on only a limited basis, we expect Hammer to become significantly more active in the future potentially leading to increasingly accelerating revenues.

### **The Unique Population Density of New Jersey – Could Make Planned Deployments Highly Profitable**

The fixed wireless last mile types of network configurations Hammer is installing to service customers can be profitable only if adequate population densities are available. The network operator must procure the network infrastructure equipment in advance of providing services and generating any revenues in the hopes of having enough customers subscribe to the service to offset the depreciation on the infrastructure while still turning a profit for the firm's investors.

Fortunately, while the state of New Jersey is the fourth smallest state in terms of geography, it is the most densely populated of the United States. This means that a limited set of towers can be installed to service

a potentially large number of customers within the service area of the tower. This is an important aspect of Hammer's business plan.

Additionally, the state of New Jersey has a relatively wealthy population based on household income. The relatively flat geography of certain parts of New Jersey, especially along the Jersey shore, is also conducive to the installation of this type of network.

Hammer has leased 28 GHz wireless spectrum from Straight Path Communications Inc. (NYSE MKT:STRP) for use in its broadband wireless network for the New Jersey shore area and plans to install up to ten towers that will serve the vast majority of the area.

Capital expenditures for the ten-tower network total approximately \$19 million by our estimations. This capital expense, will of course rollout over an extended period of time, based on availability of financing, customer uptake and the ability for the Company to reinvest profits.

We can see that this type of capital investment could generate a decent rate of return for the Company's investors. Of course, much of this will depend on the ability for the Company to sign on new customers, but considering there are few competitive offerings in the marketplace and the barriers of entry are rather significant, we see a path to profitability.

There will be many variables to the profitability assessment including the mix of equity versus debt capital that can be raised, the product mix the Company's sales personnel are able to produce, length of time for network build-out, and potential for regulation in the future. This, however, has been a very lightly regulated area of the telecommunications environment, so we are less concerned about potential complications relative to the regulator environment.

## **What We Would be Watching as Investors**

We would advise investors to closely monitor several areas relative to Hammer's rollout of its network, its operating model and capital structure moving forward.

For example:

-  **Timing of Capital Expenditures for Network Build-out** - As an investor in the Company we would want to have a strong body of information relative to the planned deployments of network assets to begin operations. An important consideration will be the Company gaining adequate capitalization in order to complete its milestones for network deployments so that the operation can move from build-out stage to revenue production.
-  **Staging of the Rollout** - We believe an overly aggressive rollout schedule is a key potential risk factor for any company building assets to address this marketplace. This would include Hammer. Rather than a full ten-tower deployment, we would rather see a staged deployment with each tower representing a separate profit and loss center. This would allow the Company to gain valuable experience in order to make future deployments go more smoothly and move toward increasing profitability for each deployment.
-  **Terms of Financing** - The cost of capital is a critical component to the profitability model for the Company moving forward. With a significant opportunity in front of the Company, we believe Hammer should be able to raise relatively inexpensive equity-based capital through a private placement of common shares. As investors we would want full details of the expected offerings the Company plans over the next few years.

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- ✎ Audit and Reporting Compliance - Hammer's common shares currently trade on the over-the-counter market. Considering the Company's fully reporting status with the SEC, we would expect as investors for Hammer to upgrade to the OTCQB marketplace as we believe it enables small companies to attract a higher caliber of investor. As investors we would also want continued assurance of timely audits and SEC reporting.
- ✎ Management Expertise - While the type of network planned by Hammer is not particularly novel, as it is based on proven technologies, there are many things that can go wrong during the network build-out process. As investors we would want assurances the Company has brought on adequate management resources in order to ensure this build-out process goes smoothly and is completed in a timely manner.

## Factors in Favor of Hammer's Success

We believe there are many factors pointing to the Company's success in gaining profitability through deployment of a network in order to gain sales of services to customers.

These include:

- ✎ Lack of Competition - There appears to be very few competitive service offerings available in the Company's chosen New Jersey geographic area. Considering the lead times for network installations, Hammer would likely have considerable notice of competitive activity. The competitive situation looks positive for the Company.
- ✎ Geographic Protection - It also appears the Company has struck a deal with its equipment vendor for exclusive rights to its chosen geographic area. While this will not prevent a wouldbe competitor from attempting to enter the market based on a different equipment vendor's platform, there are some advantages to having this exclusive arrangement with what appears to be the dominant player in the industry.
- ✎ Proven Technologies being Deployed - One of the most significant risks in the deployment of telecommunications networks relate to delays in ironing out the technical details of the final installation in order to move into full operating mode. The 28 GHz, point-to-multipoint solution the Company is planning on deploying is proven technology that is documented reliable and has been operated profitably by other service providers both within and outside the United States.
- ✎ Thus, we see no reason why Hammer, assuming adequate capital, should not be able to acquire the network equipment and install it in a timely manner in order to begin revenue production. While the technical talent for installation and ongoing maintenance is not inexpensive, it is available within the marketplace, especially within the greater New York metropolitan area where there are several other service providers operating with similar network configurations.
- ✎ Dark fiber and Tower Integration - One of the significant costs of operating a point-to-multipoint data network, such as the one being deployed by Hammer is the "backhaul" costs of transporting the data between the towers and the network. Because the Company will also be engaged partially in "lighting" its own dark fiber for this purpose and for other revenue producing purposes, the Company may be able to keep its costs at a minimum by leveraging this additional resource.
- ✎ Management Expertise - The management team of Hammer seems to be highly experienced in this type of network deployment. Chairman Michael Cothill is a long-term wireless and fiber

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optic network veteran with hands on corporate management, technical, and even entrepreneurial experience. Particularly impressive in his background is that a significant portion of his experience relates directly to the build-out of networks, not simply network operation. We believe this is a vital skill that can help ensure success for Hammer. Additionally, CEO Mark Stogdill is also highly skilled in the fiber optic industry and also has experience in network build-outs. In addition to what appears to be a strong management team, the Company also has non-executive directors with significant alternative carrier operating experience and other entrepreneurial business activities.

Executive and director bios are included later in the report.

## **The Corporate Financials**

As indicated previously, Hammer was only recently organized in April of 2016. While there is no history to explore, there is also no detrimental baggage that has been carried over from a predecessor company. We think this is a positive.

The balance sheet for the quarter ending April 30, 2016, was filed on June 210, 2016. The balance sheet shows no assets and liabilities of only \$378,000, which was virtually unchanged from the year ago period ending July 31, 2015. It appears this entire liability amount is owed to a related party, likely the former CEO.

Capitalization shows 250 million shares authorized with only 75,000 currently shares issued and outstanding. The pending share exchange agreement signed on April 25, 2016, calls for the issuance of 50 million common shares to facilitate the closing of the transaction. This would mean the shareholders of Hammer Fiber would own approximately 99% of the issued and outstanding common shares.

The Company generated no revenues during the period and had minimal operating expenses of only a few thousand dollars.

The positive side to these financials is that there is no convertible debt, outstanding warrants, or other potentially toxic items that could later convert to a large number of common shares surprising common share investors. With a relatively clean balance sheet, new investors in the Company could likely gain a very fair deal with this management team and the Board of Directors.

## **The Management Team**

### **MICHAEL P. COTHILL - EXECUTIVE CHAIRMAN**

Michael has extensive experience and in depth knowledge of multi-media next generation applications that are delivered over innovative wireless and fiber optic networks and brings 25 years of hands on strategic and corporate management, technological innovation and entrepreneurial guidance to Hammer, assuming a leading role in crafting and guiding the company's strategic corporate strategy. Michael is dedicated to the communications industry and has served in several executive and senior consulting roles with industry leading organizations such as Globecomm Systems, Intercel Telecoms Group and Bahamas Telecommunications Corporation [BTC]. Most recently, Michael was the CEO of Somcable Limited in

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Djibouti which was formed to design, install and deploy a terrestrial fiber optic cable between Djibouti and Somaliland. Along with a team of engineers from the USA, Michael successfully completed this task, which included a fully equipped data center in the region, capable of delivering the latest in IP switch and routing technology. As a pioneer in wireless fiber-through-the-air [FTTA] technology, Michael has successfully deployed the first high capacity wireless access network on the African continent for Somcable, which earned Michael the prestigious Global Telecoms Business Innovations Award 2013 for “Solving the Broadband Access Challenge in Africa”. Michael has played an important role in the development of telecom startups around the world as well as emerging market operators such as BTC in the Bahamas. From 2004 to 2011, Michael consulted as the Senior Advisor to the CEO of BTC on fiber optic deployment throughout the Bahamian Archipelago including the delivery and installation of several wireless technologies including GSM, CDMA and WiMAX systems.

### **MARK G. STOGDILL - CHIEF EXECUTIVE OFFICER**

Mark Stogdill has spent his professional career working in the fiber optic industry, having held several senior posts in engineering and construction firms that provided key services to the largest organizations in the telecommunication industry worldwide. To leverage his valuable experience and desire to aid in the development of high speed broadband in the underserved markets of the United States, Mark established an advisory and construction firm known as Trantel prior to co-founding Hammer Fiber. During his career, Mark held the position of Head of Engineering for Fiber Engineering and Design Inc., a primary construction and design vendor for Verizon Communications, to oversee the full scale deployment of the Verizon FiOS service covering the metropolitan areas of Philadelphia, Manhattan, Newark New Jersey and York Pennsylvania. As an industry consultant, Mark served as a technical advisor on projects ranging from cellular data synchronization in metro New Jersey markets to SONET fiber ring deployments in Minnesota for some of the world’s largest telecommunication companies, including Verizon, Time Warner, Zayo, T-Mobile, and Cricket Wireless. Mark subsequently identified the trend towards the convergence of fiber backbone networks and high capacity wireless broadband access technologies and heads up Hammer Fiber Optics Holdings as its CEO.

### **DON MACNEIL – NON EXECUTIVE DIRECTOR**

Don MacNeil has more than 25 years of telecommunications and information technology industry experience delivering technology-differentiated solutions to both local and international private and public clients. Most recently Don served as the Chief Operating Officer at XO Communications, a telecommunications and IT services company with \$1.4 Billion in revenue and the owner and operator of significant deployments in fixed fiber optic infrastructure and wireless broadband licensed assets. Don was responsible for the life cycle of the customer experience including customer care and repair, product marketing and service delivery while leading the technology team in network engineering and overseeing the daily operations of the company. Prior to XO Communications, Don was an Officer in the United States Navy where he developed and designed complex network systems. Don gained a Master’s Degree in physics as a Graduate of the United States Naval Academy followed by a Master’s Degree in Business Administration from the University of William and Mary in Virginia. He currently serves as the advisory Chief Technology Officer of Invictus International, a national security, defense and intelligence service provider.

### **MICHAEL SEVELL - NON EXECUTIVE DIRECTOR**

Michael has spent his career in all facets of business startups including retail management, custom home design and construction as well as having spent many lucrative years in the automotive repair service industry. Michael now spends his time as an early stage investor in companies such as Hammer, where as a Board Member, he takes a “hands on approach” in entrepreneurial guidance of the executive

management team in both the principals of successful business methodology and the appropriate practice of corporate governance procedures.

At age 25, Michael oversaw the startup and daily operation of Westfield Building Products Co. Inc, a retail building material supplier which, under his direction, soon became a multimillion dollar family business. In 1990, following his documented success and the vast knowledge he gained in retail operations, Michael began guiding fledgling small retailers with their businesses, teaching pricing strategies, inventory control methods and marketing techniques. In 1995, Michael founded Fieldstone Properties, a design and construction provider of high-end custom built homes which went on to become another of Michael's string of successful companies.

## Conclusions

We believe Hammer Fiber Optics is moving into a very lucrative marketplace.

There are currently no competitive players in the section of New Jersey where the Company plans its operations and barriers to entry are not minuscule. The type of network configuration planned by the Company is particularly conducive to the high population density of the service territory. Additionally, the population is on the upper end of the wealth scale, which could easily yield a very profitable product mix of mainly higher-speed data services and potentially, at a later date, high-margin television related services.

The type of point-to-multipoint network Hammer is planning to deploy is based on well-proven technologies that other operators have successfully deployed and operated in the past. There are also several operators within close geographic proximity that could yield technical talent for the Company.

As investors we would closely be watching for capital acquisition, rate of network deployment, the ability for the Company to retain appropriate managerial and technical talent and the Company's ability to adhere to audit and SEC reporting requirements that are becoming increasingly difficult for small companies to maintain.

Management certainly has the experience to deploy and operate such a network, so we believe one of the main deciding factors to Hammer's success will be its ability to attract the appropriate capital.

Overall, we are relatively positive about Hammer and will be closely watching its capital acquisition and network deployment activities over coming periods.

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