

EMERGING GROWTH RESEARCH, LLP

Update Report

Rating: BUY

Ticker: GOCH

Current Price \$1.05

6-Month Target

Price: \$3.00

Joseph Noel

jnoel@emerginggrow.com

Emerging Growth Research

San Francisco, California

925.922-2560

Analyst Certification

I, Joseph Noel, hereby certify (1) that the views expressed in this research company report accurately reflect my personal views about any or all of the subject securities or issues reflected in this company report, and (2) no part of my compensation was, is, or will be directly or indirectly related to specific recommendations or views expressed in this company report.

August 6, 2008

Geeks on Call Holdings, Inc. (GOCH.OB)

Update Report – Sam's Club Merchandising Well Underway - New Photos of Merchandising Effort

- ◆ Merchandising at the initial 20 Sam's Club locations is well underway and it appears the company is already seeing increased business as a result. In this report we provide investors with some photos of what we believe is an impressive merchandising effort.
- ◆ Geeks On Call recently reported in an 8K filing it had begun offering outsourced IT services out of selected Sam's Club locations. The services, which we believe are modeled after Best Buy's highly successful Geek Squad business will initially target 20 Sam's Club locations. In our opinion, this is a company making event, on which investors should capitalize by purchasing these shares. As a result of gaining this contract, we recently raised our six-month Price target from \$2.00 to \$3.00.
- ◆ As computer and consumer electronic technologies become increasingly complex businesses and consumers are increasingly turning to outsourced IT services. This market is growing rapidly and currently valued in excess of \$8 billion for the US alone. It is estimated the market is underserved by an additional \$11 billion due to a limited selection of reliable vendors. We believe GOCH is well prepared to target this \$19 billion market opportunity.
- ◆ With a market capitalization of only approximately \$17.5 million we view the company as meaningfully undervalued relative to the significant market opportunity and thus urge small-cap investors to seriously consider purchase of these shares. We are expecting more than a doubling of revenues for Fiscal 2009.

Revenue Forecast Conservative Case

EPS	FY2008	FY2009
Q1	\$1.6A	\$2.5E
Q2	\$1.4A	\$2.9E
Q3	\$1.3E	\$3.6E
Q4	\$1.7E	\$4.0E
Year-End	\$6.0E	\$13.0E
Price/Sales	3X	1.3X

Market Data

Market Cap (MM)	\$17.5
Shares Outstanding (MM)	14
Float	n/a
Dividend Yield	n/a
52-Week Range	\$1.00-\$2.85

Revenue Forecast Aggressive Case

EPS	FY2008	FY2009
Q1	\$1.6A	\$2.8E
Q2	\$1.4A	\$3.5E
Q3	\$1.3E	\$4.1E
Q4	\$1.8E	\$4.3E
Year-End	\$6.1E	\$14.7E
Price/Sales	3X	1.1X

Financial Summary

Revenue FY 09E (MM)	\$13.0 (E)
Cash end of Last Quarter (MM)	\$1.4
Total Assets (MM)	\$3.2
Long-Term Debt (MM)	none
Shareholders Equity (MM)	\$1.8

Please see important disclosures, including analyst certification

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GEEKS ON CALL HOLDINGS, INC. (GOCH.OB)

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Update

Less than two weeks after filing its 8-K with the Securities and Exchange Commission indicating it had launched a pilot program with Sam's Club, the membership warehouse subsidiary of Wal-Mart Stores, Inc. (NYSE:WMT), we have found that Geeks On Call has already made significant progress in merchandising the initial 20 Sam's Club locations. Many investors who have been looking into the Geeks On Call story have inquired about the actual placement within the stores.

In this report we have included some high-quality photos of the merchandising effort that we believe convey the strong commitment Sam's Club is making toward this relationship.

While this program is in a pilot phase, which encompasses 20 Sam's Clubs, we believe that if the pilot is successful, Sam's Club would expand the program across their entire national retail network.

We reiterate our purchase recommendation for these shares as we believe the company is well on its way toward doubling its revenues in fiscal 2009. Our six-month price target for the shares remains at \$3.00.



The above and below photos show the banners that are being placed in the aisles of the Sam's Club stores where the trials are taking place.



In addition to banners being placed in the aisles where computers, printers and other information technology hardware are located, stickers are also being prominently attached to the boxes containing the merchandise. These can be seen below:



Executive Summary

Geeks on Call Holdings, Inc. recently announced it has been selected by Sam's Club to provide outsourced IT services out of select Sam's Club locations. Sam's Club is the membership warehouse subsidiary of Wal-Mart stores, Inc. While this a pilot program at this time, which will encompass 20 locations, we believe if the program is a success additional stores are likely to be included in the offering.

Shares of Geeks on Call Holdings, Inc. are significantly undervalued at current levels, even if only 20 Sam's Club locations are serviced, as we had already been expecting a more than doubling of revenue in fiscal 2009. Should the program include additional stores, shares of this company are likely to move much higher than our current \$3.00 price target.

We view the announcement being made by Geeks on Call Holdings to be a highly significant company event and urge investors to seriously consider these shares while this information, while public, is not well circulated within the investment community.

Geeks On Call Holdings, Inc. (GOCH.OB) operates as one of the leading nationwide providers of outsourced Information Technology (IT) services targeting small and medium sized businesses and consumers. The company began operations in 2001 and has grown to more than 260 franchises operating in approximately 30 major metropolitan areas in the United States. While the company will continue to expand its franchise-based operations, an additional emphasis moving forward will be on company-owned operations, which offer significantly higher margin potential.

As consumer electronics and computer systems become increasingly complex, many consumers are having a difficult time installing, operating, maintaining, and repairing products within these categories. These consumers are increasingly turning toward outsourced services to meet their needs.

The company's services, which all are offered under the brand names Geeks On Call, 1-800-905-GEEK and CallTheGeeks.com are provided by a dedicated staff of highly trained technicians all of whom hold high levels of IT industry certifications. Geeks On Call Holdings, Inc. provides considerable support for its franchise operators and has recently instituted several brand building and advertising campaigns, which are designed to drive business to the franchisees and to the company's telephone-based support operations. We have been very impressed by brand building strategies that have been put in place by management.

The market for information technology support services targeting the small and medium-size business and consumer sectors is highly fragmented, with the two largest players, Best Buy's Geek Squad and Circuit City's Firedog, capturing approximately 20% of the \$8 billion annual market. It is generally believed by several industry analysts that the market is currently underserved by an additional \$11 billion. It is our belief that Geeks On Call has an excellent opportunity to also align its operations with a nationwide retailer. While we believe there are risks associated with investing in the Geeks On Call story, which include strong competition, an emphasis in the business model toward company-owned operations, and the likelihood that additional capital will be needed to execute the business plan, we believe these are acceptable for most small-cap oriented investors when the upside potential is considered.

Over the next fiscal year we are expecting a strong acceleration in revenue growth from this company, driven by the expanding company owned operations and agreements with nationwide operations, such as Long and Foster Real Estate, which recently endorsed Geeks On Call as a participant in their Home Connections Program wherein they will offer outsourced IT services to their offices and respective agents. We believe the company will be especially successful relative to similar types of operations and over the coming months.

For the fiscal year ending August 2008 we are expecting the company to produce approximately \$6 million in revenue, which will likely yield a loss for the period of \$0.30 per share. We are expecting revenues to accelerate significantly during fiscal 2009 with the company opening more than 35 company owner locations and multiple other new business initiatives being launched. We are estimating more than 100% revenue growth during fiscal 2009, which yields our conservative revenue estimate of \$13 million with profitability expected near the end of fiscal 2009. With what we believe will be strong revenue growth in fiscal 2009, expanding margins, a balance sheet that will likely remain debt-free, and the strong potential for a meaningful retail partnerships, we believe the company's shares are significantly undervalued and should be seriously considered by small-cap oriented investors.

Introduction to Geeks on Call Holdings, Inc.

Geeks On Call is an Information Technology (IT) services company that provides on site and telephone-based support for the installation, repair and maintenance of computer systems and software. The company is aggressively working towards, building out a nationwide footprint based on both its franchise and company owned operations. Geeks On Call is noted for hiring some of the most highly certified technicians available within the IT services marketplace and has established a reputation for high quality services.

Geeks On Call is a wholly owned subsidiary of Geeks On Call Holdings, Inc., which trades on the over-the-counter market under the symbol GOGH. The company is headquartered in Norfolk, Virginia and employs approximately 60 full-time personnel, exclusive of franchise operations. The company is quickly adding personnel and has plans to have a total headcount of more than 100 in the near future.

The company was formed in 2001 by the current Chief Executive Officer, Richard Cole to provide on site IT support services to a small number of local businesses and to provide telephone support for residential consumers and small business owners. The company now conducts business under the brand names of Geeks On Call, 1-800-905-GEEK and Call The Geeks.com

Over the past few years the company's operations have continued to grow and as of now there are more than 260 franchisees operating in 30 of the largest markets within the United States. Please refer to Figure One, which shows the major market locations. Since beginning operations the company has served more than 250,000 customers across the country.

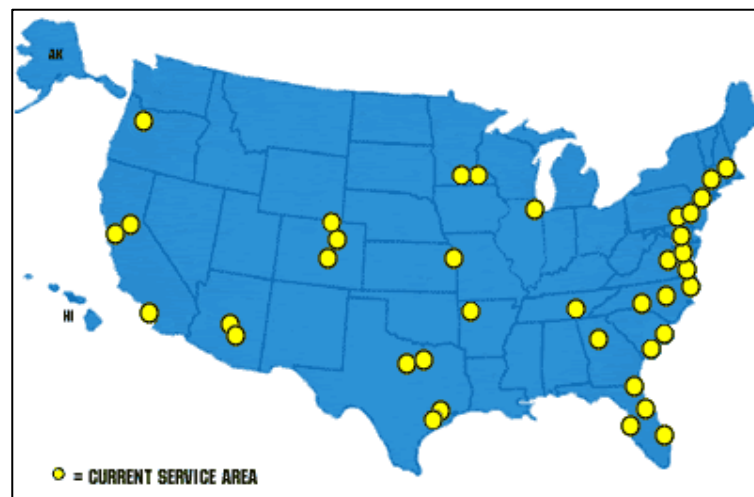


Figure One Geeks on Call Major Market Locations

Source: Geeks On Call

The management team has outlined an aggressive growth plan, which includes expanding existing franchise areas, the opening of company-owned locations, expansion of its telephone support services, the targeting of national retailers and franchisors and an aggressive augmentation of current product offerings.

The market being addressed is estimated by several industry groups to be valued in excess of \$8 billion per year, with industry leader Geek Squad, which is owned by Best Buy, Inc., (NYSE:BBY) controlling the single largest market share at approximate revenues of \$1.3 billion annually.

The Market Opportunity

As technology has proliferated modern society a significant amount of frustration is being felt by consumers of information technology. The amount of technology that is being built into computer systems has quickly surpassed the general knowledge level, of not only the average consumer, but also of the consumer who had considered him or herself to be technically savvy. The process of purchasing and installing even a simple computer system and associated software is often a complex task that many consumers are not able to sufficiently handle. Many consumers have attempted to rely on the manufacturer of the computer system for support during the installation process. These manufacturers are often helpful in solving issues associated with the system produced by the manufacturer, but are usually of very little help in solving systems and compatibility issues relating to peripherals produced by other manufacturers. Additionally, the manufacturer of a computer system is usually either unwilling or incapable of providing adequate levels of assistance relative to software issues. As a result, many consumers of technology products experience a great deal of frustration in trying to get all of the different hardware, software and peripherals to work seamlessly. This situation applies not only to the installation of a new system, but also relating to ongoing problems that may arise as the computer systems are utilized on a daily basis.

Due to the issues outlined above an entirely new sub-sector of the information technology industry has evolved to provide both telephone-based and on site support to solve computer hardware, software and peripheral-related issues.

While sizing this growing market is a little difficult due to the high amount of fragmentation, it is generally believed that the information technology support market within the United States and Canada is valued at between \$8 billion and \$10 billion annually. Several studies on the industry have been completed, most notably one conducted by the University of Arizona's McKale Center, which showed that the market potential is actually considerably larger than the currently estimated market. These studies indicate that while North American consumers have begun to significantly utilize these

IT support services there are many consumers who are yet to take advantage of the offerings. The McKale study specifically indicates that the market potential would easily exceed \$21 billion per year if there were more companies available to provide such services to consumers and small businesses.

The McKale study has also outlined consumer and small business owner's preferences relating to their preferred methodology to fix computer problems. The study conclusively shows that both phone and on-site resolution are preferred and also showed a strong preference for local technical talent. Please see Figure Two for additional information relating to the study.

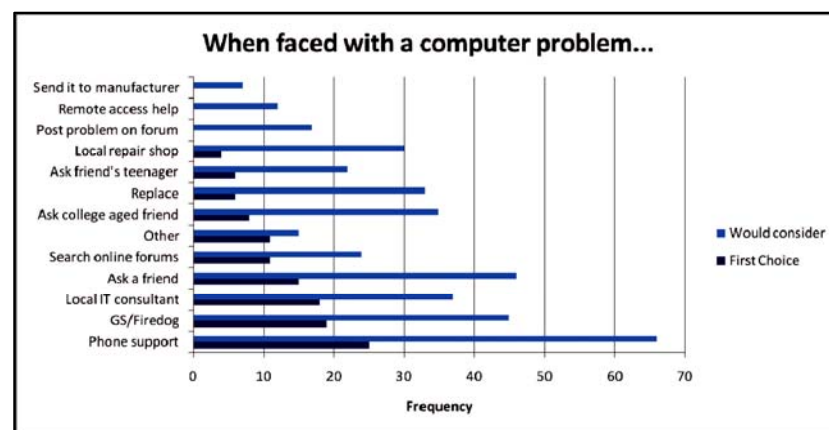


Figure Two: Consumer Preference *Source: University of Arizona McKale Center*

Geeks On Call Target Market and Strategic Goals

After spending even just a few minutes with the management team at Geeks On Call it is apparent that this company is driven to build a national footprint to service the small to medium-sized business and residential markets. We believe the management team feels the small and medium-sized business market is significantly underserved and represents the largest market opportunity for the company. Many larger businesses have in-house IT support personnel, but the vast majority of smaller sized businesses cannot afford such luxuries. As information technology hardware, software and systems become ever more complex it is generally believed that smaller sized businesses will increasingly turn towards outsourcing arrangements for the support they will need. This is the niche Geeks On Call has targeted to fill.

In our opinion, we believe the management team feels the company is especially well equipped to provide services to national franchisors and we expect this to be a major focus for the rest of 2008 and well into 2009. Geeks On Call is focused on selecting its own franchisees in order to ensure such operations are targeted into markets where there is a sufficient amount of small

businesses and a higher than average median income. These criteria are very similar to those used by many other national chains and franchises and therefore the geographic dispersions of operations are very similar. For example, Geeks On Call recently entered into an agreement with Long and Foster, which operates hundreds of locations throughout the country. Many of Long and Foster's operations are in the same cities where Geeks On Call also has franchises. This geographic similarity made the selection of Geeks On Call for outsourced IT services a natural fit for this large player in residential real estate. Over the past few months, the management team at Geeks On Call has been targeting several other national franchise operations, which also have a similar geographic layout. This is a market focus where we believe Geeks On Call will have a significant level of success.

While the company is placing considerable resources on servicing the small to medium-sized business market they certainly not ignoring the residential market opportunity. Many residential consumers face the same information technology challenges as those experienced by business owners and, therefore it is relatively easy to support both markets simultaneously. Since the company's inception, more than 300 franchises have been granted in major markets throughout the United States, of which approximately 260 are currently operational. The company has typically sought to place franchises in major markets where the median income exceeds \$50,000 per household and where there are at least 4,500 small businesses that employ fewer than 25 employees. While growth of the company has thus far primarily been through a franchise model, we expect this to change over the coming year.

We believe management is currently emphasizing growth of company-owned operations and has recently announced such operations in the Phoenix, Arizona, Sacramento, California, Arkansas, and Kansas City, Missouri areas. We believe there are several reasons for this refinement in the strategic direction of the company. First, we believe the shift towards company-owned locations will enable Geeks On Call to broaden its range of end user customers. For example, as we cite above, we expect the company to realize considerable success in servicing the franchisees of major franchise operators through their newly created Endorsed Vendor Program, delivering a value added benefit of outsourced IT service. Expansion with an emphasis on company-owned locations will facilitate this process and enable management to insert additional control on the quality and consistency of the product delivered to these national franchise operators.

Second, we believe the company owned model will allow Geeks On Call increased flexibility in introducing new products to the market and in testing advertising strategies.

As these new products are tested in a company owned geographic area, the product feature and function set can be perfected before being rolled out to the franchisees. Additionally, company-owned locations will allow Geeks On Call to create and test different advertising and marketing strategies to determine levels of effectiveness before considerable sums of money are spent on nationwide programs.

Third, company-owned locations operate at a significantly higher margin to the corporate entity. Historically, franchise operations produce approximately 11% margins for the corporation. Company-owned locations, however, are expected to produce gross margins in excess of 31%. For these three reasons we are expecting the vast majority of growth in 2008 and 2009 to be generated by company-owned operations versus franchise operations.

Other major goals for management relative to growing its operations include:

Expanding Franchise Areas - While we expect the majority of the strategic growth to occur via company-owned operations, we do expect Geeks On Call to bring on additional franchises in certain geographic areas where company-owned operations are not appropriate choices for demographic or cost related reasons.

Brand Building - The management team of Geeks On Call understands the importance of building strong equity in the Geeks On Call, 1-800-905-GEEK and CallTheGeeks.com brand names. Management seeks to do this by creating strong customer confidence via the selection of only highly qualified and certified technicians, the establishment of partnerships with communications and Internet service providers and other third-party vendors, working with franchisees to establish reasonable prices and easy to understand service agreements and contracts, aggressive advertising and telemarketing, and image building via an aggressive public relations program. Additionally, Geeks On Call holdings has aggressively sought to protect its intellectual property and registered trademarks. An important part of the brand building strategy is selection of vehicles to be used for technician transportation to customer locations. The company continues to build and strengthen their brand through its signature Chrysler PT Cruiser vehicles that their IT professionals drive to the thousands of homes and businesses that rely on the company for computer service and support. Please see Figure Three, below for a photo of one of these vehicles. Best Buy's Geek Squad employs a similar technique with the logo covered Volkswagen Beetles driven by their technicians.



Figure Three Geeks On Call Branded Vehicles

Source: Geeks On Call

Public Relations and Advertising Campaigns - We have been impressed by this company's understanding of the power of public relations and advertising. Porter Novelli, a top ten international public relations firm, owned by Omnicom Group, (NYSE:OMC) has conducted in-depth market research on target audience segments for Geeks on Call. The focus of this research is to help the organization move to a higher value customer (from individual consumers to small business owners) that will purchase ongoing IT service agreements. Porter Novelli has developed an integrated public relations, online and local grassroots marketing campaign to create awareness of the Geeks on Call brand while driving leads for the organization's franchises around the country as well as driving calls into the "Call the Geeks" service. The campaign is designed to kick off in the August time period and run initially for a year with extension programs designed beyond this time period.

The company's management team has designed several innovative and high quality television and print advertisements that are rather atypical for a company of this size. We are expecting the company to expand upon its current level of advertising in order to drive business for its franchisees, company-owned operations and telephone support operations.

Addition of New Products - It appears the management team of this company is planning on rolling out several new product offerings to its franchise operators over the coming months. We expect these to be in the areas of broadband over power line systems, enhanced firewalls and security and virus protection software. These new products will offer additional revenue generation opportunities for both the corporate entity and for franchisees. Additionally, the introduction of these new products is designed to increase satisfaction levels among the franchise operators.

Expand Internet Direct Service Center and 1-800-905-GEEK Support

Functions - While most companies that provide telephone-based support for information technology users have outsourced operations to India, Philippines, or other locations, Geeks On Call utilizes exclusively US-based support personnel. The company's call center is staffed to include multi-lingual customer service representatives. We are expecting the company to expand the use of US-based telephone technicians over the coming months. Management of the company believes that while such US-based operations are more expensive than are offshore-based operations, such services are in high demand as there is a growing backlash against offshore-based support companies due to growing problems with quality of service due to poorly trained technical personnel and difficulties in communicating effectively in American English.

Typical Geeks On Call Franchisees

Each of the approximately 260 franchisees of the Geeks On Call services and products can generally be placed into one of the two different categories:

The larger of these two categories is the technically-oriented owner operator. This type of franchise owner not only owns the franchise, but also performs most of the work for customers. They typically enjoy working on computers, but are not particularly ambitious about significantly expanding the business operations.

The second category of franchise operator is the entrepreneur who sees the information technology services sector as a growing market opportunity. While there are fewer of this type of franchisee when compared to the category discussed above, this category is clearly growing much faster than the owner operator category. The entrepreneurial franchise owner usually has some type of information technology background, but is not particularly interested in actually handling customer inquiries or performing the actual work and instead employs a group of technicians to provide the service function. Typically, this type of franchise owner is very interested in expanding the business and growing revenue and earnings opportunities. The management team at Geeks On Call is clearly targeting this type of franchise operator for future expansion in areas where company-owned locations do not make economic sense.

Whether the technician performing actual services for customers is an owner operator or is an employee of an entrepreneur who owns a franchise, all Geeks On Call technicians generally have a very high level of training. All technicians have completed the common information technology industry certifications with many also holding Microsoft Certified Systems Engineer (MCSE) and other advanced level certifications. Many of the franchise operators and technicians are former corporate information technology

managers or former heads of technical teams within corporate environments. The management team at Geeks On Call believes most of their technical personnel, in particular the franchise owner operator, perform at a very high level also because they have a strong vested interest in the communities where they hold the franchise and because of the strong personal and business relationships that have been established between the franchisee and the local customers within the franchise territory

The Franchise Operating Model

Geeks On Call grants franchises to qualified candidates for a 10 year period. Typically the franchisee pays an upfront fee of \$25,000 for the first service territory and a lesser fee for each additional territory granted. Additionally, there are some smaller additional fees relating to advertising and miscellaneous activities. On an ongoing basis each franchisee pays a royalty of 11% of gross revenues and an advertising allowance of \$275 weekly to the corporate office. In return, Geeks On Call provides additional training in business operations, a cooperative advertising program, which is funded through the contributions made by both the franchisee and Geeks On Call, methods of advertising, various promotional services developed by the corporate partner, and standard operating manuals, which assist the franchisee in operation of their business.

Competition

The market for information technology support services targeting the medium and small sized business and consumer markets is highly fragmented with the two largest providers, Geek Squad, which is owned by Best Buy, and Firedog, which is owned by Circuit City comprising 20% (approximately) of the market. Geek Squad is expected to generate \$1.3 billion (approximately) in revenue in 2008, while Firedog is expected to generate \$400 million (approximately). These numbers are only estimates, however, as both of these providers provide auxiliary services, such as home theater installation, which are included in these estimates.

Fry's Electronics, which operates approximately 34 large retail locations, also offers some limited on-site and telephone support services to the target market. Within each of the 30 major markets where the Geeks On Call operates franchises there are also several local providers that also offer services.

Several major corporations, such as IBM and Hewlett-Packard, provide outsourced IT services to major corporations, but we do not consider them to be competitive in the space being addressed by Geeks On Call.

Considering there are only two other national providers targeting the small and medium-size business and residential markets, Geek Squad and Firedog, we

believe there is clearly space in this market for a third nationwide provider such as Geeks On Call. We believe other national retailers will seek to replicate the significant successes that Best Buy has seen as a result of retaining Geek Squad, which we believe could offer a significant revenue opportunity to Geeks On Call. Several industry and financial analysts estimate that Best Buy has been able to generate significant amounts of additional hardware and software sales through their retail outlets because of the support functions provided by Geek Squad.

During early June of 2008, a senior executive at Wal-Mart was quoted in the press as saying that the world's largest retailer was considering several options relative to information technology and consumer electronics support services. We believe other major retailers are also considering business opportunities in this area in order to ensure they do not fall behind Best Buy and Circuit City in consumer electronics and computer hardware and software systems.

Risks to the Geeks On Call Story

While we are very positive about the development of this company, we clearly see some risks that investors should closely monitor. For example:

Limited experience in developing company operations - One of the major goals this management team has outlined to foster future growth is the development of company owned operations and the slowing down of the granting of franchise operations. While company-owned operations will likely generate significantly higher margins for the business, the management team has little experience in such operations and investors should clearly watch the performance in this area.

Additional financing will likely be needed - While the company recently raised funds to expand its business, we believe additional financing will be needed in order to fully execute the business plan. The hiring of managers to supervise the company owned operations in new markets will likely be a rather expensive process as quality personnel are desired. We suggest that investors closely monitor general and administrative expenses moving forward relative to this issue.

Competition - As we stated above, we believe there is a significant opportunity for a third nationwide player in the small and medium-size business and residential IT support market sector. With that said, however, we believe it needs to be noted that Geek Squad, and to a lesser extent Firedog, are very strong and well financed operations and are not likely to yield market share easily. We believe this situation can be significantly mitigated if Geeks On Call partners with a major retailer.

Franchise Operations Risk - Most companies operating on a franchise model face significant risk because the franchisees operate very independently from the corporate entity. While the corporate entity is able to establish guidelines for operations, often very little can be done to enforce such policies on franchise owners. The technicians performing the support functions are often exposed to proprietary data on customer's computer systems and the risk of disclosure of this information by a franchisee is an additional risk to Geeks On Call. Several similar high profile cases were recently reported by Best Buy's Geek Squad.

Bulletin Board Trading Status - Geeks On Call shares trade on the over-the-counter market, which makes it difficult for some investors and broker-dealers to buy and sell or hold the shares. We believe it will be relatively easy for this company to list on one of the major exchanges due to the relatively small number of shares and the high likelihood, in our opinion, that adequate stock price appreciation will yield stock-price compatible with these exchanges.

Management Team

Richard Cole

CEO, Chairman of the Board

Mr. Cole is a Co-Founder of Geeks On Call and has served as Chairman since its inception. Mr. Cole also was the Managing Member of the Company's predecessor. Prior to 2000, Mr. Cole was the Managing Member of Beach Capital LLC. Mr. Cole previously served as President of American Outdoor Advertising, Inc. (a Landmark Communications, Inc. subsidiary) from March 1997 until October 1999, and as President of FKM Advertising from February 1994 until November 1996.

Richard G. Artese

Executive Vice President and Chief Operating Officer

Mr. Artese has served as Executive Vice President and Chief Operating Officer since March 2008. From December 2005 to March 2008 he was the Vice President and Chief Information Officer, and from May 2005 to November 2005 he served as Director of Technology of the Company and its predecessor. From August 2001 to August 2004 he worked as the Managing Director, Technology Consulting Group, for Top Tier Management in New York, New York and Norfolk, Virginia. From March 1998 to July 2001 he was Senior Vice President and Chief Information Officer for Porter Novelli International in New York, New York. From July 1995 to March 1998 he served as Director of Technology and Office Services for the Delta Consulting Group, Inc. of New York, New York.

Robert P. Crabb

Chief Marketing Officer

Mr. Crabb, has over 35 years of public and private sector experience including 15 years in the insurance industry encompassing, property and casualty sales brokerage and sales and sales management with MetLife. His entrepreneurial expertise includes public company administration, financial consulting, corporate management and commercial/residential real estate development. He was a founder, former director and Chief Marketing Officer and Secretary of Telkonet, Inc. Mr. Crabb is the corporate Secretary and board member of the Geeks On Call Holdings, Inc. board of directors. He is also the Secretary to the board of directors of Microwave Satellite Holdings, Inc. He served his country proudly from 1966 to 1974 as a noncommissioned officer in the United States Marine Corps.

Keith Wesp

Vice President of Finance

Mr. Wesp has served as Vice President of Finance since March 2008. Prior, he was the Controller and Assistant Secretary for the Company and its predecessor since August 2001. From October 1995 until July 2001 Mr. Wesp worked as a Senior Staff Accountant for Rothman and Vaughan, CPAs.

The Most Recently Reported Quarter Results

Geek On Call's fiscal years end during the month of August, which means the last reporter quarter ended February 29, 2008. During the quarter the company produced approximately \$1.4 million in revenue, which was down from \$1.8 million during the year ago quarter. The reduction was attributable to a slight reduction in the number of operating franchises and a reduction in the granting of new franchises.

Sales, general and administrative expenses for the February 2008 quarter were approximately \$1.7 million up from approximately \$925,000 during the year ago quarter. These expenses in the February 2008 quarter were higher than normal due to stock-based compensation, the cost of hiring additional staff and consultants, and costs associated with the reverse merger, which resulted in Geeks On Call becoming a publicly traded entity. The company breaks out its advertising expenses on a separate operating line as this is an important component of its business model. During the February 2008 quarter advertising expenses were approximately \$873,000 down from approximately \$931,000 during the year ago quarter, with this reduction being attributable to the reduction in the number of operating franchises.

Geek On Call's Balance Sheet

We view the company's balance sheet as being in relatively good shape. Earlier in 2008 the company raised approximately \$3.1 million in a private offering. The company ended its February quarter with approximately \$1.4 million in cash on its balance sheet and total current assets of approximately \$2.3 million. Current liabilities as of the end of the same period were approximately \$1.3 million. While the company has established a line of credit it has not needed to access this line, and thus the balance has remained at zero. Except for a rather inconsequential amount of approximately \$27,000 relating to the long-term portion of its capital lease, the company has no other long-term debt. Total stockholders equity is approximately \$1.8 million.

Our Model for Future Periods

With the company emphasizing growth via company-owned operations and a slowdown in the number of new franchises being granted, we are expecting a transitional period to occur where top line revenue growth will halt temporarily. Thus far, the company has opened only four company-owned locations, but we are expecting more than 35 to be opened over the coming quarters. We view this trend toward company-owned locations very positively as we are expecting margins of over 31% for such locations compared to only approximately 11% for the franchise operations.

For the May 2008 quarter, which has yet to be reported, we are expecting revenues of approximately \$1.3 million down sequentially from the \$1.4 million reported in the February quarter. For the May quarter we are expecting selling, general and administrative expenses of approximately \$1.7 million and advertising expenses of just over \$1 million. This should produce a loss per share of approximately \$0.10, based on 14 million shares. We expect the reduction in quarterly revenue growth to be only temporary, however, as we are modeling the August 2008 sequentially up from the May quarter.

For fiscal year ending August 2008, we were expecting total revenues of just over \$6 million, which will be down from the \$7.1 million reported during fiscal year 2007. As we explained above, we are expecting revenue growth to see a temporary halt as the company transitions from a primary focus on franchise operations to a primary focus on company-owned operations. We believe our \$6 million estimate for fiscal 2008, however, is very conservative and we believe the odds of upside surprise is strong.

As the company increases the number of company-owned operations and other planned new business initiatives take hold, we are expecting more than a doubling of revenues during fiscal 2009 to approximately \$12.9 million, which we are estimating will result in a loss of approximately \$0.12 per share. During fiscal 2009, however, we are expecting losses to drop rapidly with profitability likely being obtained near the end of the fiscal year. We believe our revenue estimate for fiscal 2009 is conservative; however, as we are modeling only a modest number of new company owned locations to begin operations during the year. We are also offering a more aggressive forecast for fiscal 2009 of just under \$15 million, which would likely result in profitability in the third fiscal quarter (May 2009).

Please see the attached financial models for additional information relating to our estimated revenues and earnings for future periods.

Conclusions and Summary

We are excited about the future of this company and the growth we are modeling for fiscal 2009. As technology becomes increasingly complex users of computer systems and consumer electronics are likely to continue to have difficulties in understanding the use and operation of such products. We have seen, through the recent successes at Geek Squad and Firedog, a considerably sized market for outsourced information-technology services does indeed exist. Many industry watchers believe this market is still underserved and likely holds market potential significantly exceeding the current annualized revenue of approximately \$8 billion. With only two other US national players targeting the small and medium-size business and residential computer and electronics consumer, we believe there is easily room for additional players in this market. It is our belief that Geeks On Call has an excellent opportunity to become a third leading nationwide player.

We believe considerable sales successes are currently being seen at the company. We expect the company to open a number of company-owned locations throughout the US during 2008, which should not only allow for additional revenue growth, but also considerably higher gross margin than if revenues were augmented via franchised operations.

We also believe Geeks On Call has excellent opportunities in servicing national franchised operations. The company recently signed Long & Foster Realtors, one of the largest real estate sales operations in the country. We believe the management team is currently holding discussions to rollout similar types of programs with similar chains and national franchise operators and we expect positive news relative to these new types of business opportunities over the coming months.

We also believe there is strong potential for Geeks On Call to partner with a nationwide retailer, as we believe it is becoming clear within the major consumer electronics retailer space that Best Buy has made a strong strategic move in the marketplace via its Geek Squad operation. We believe other major retailers are also seeking out similar operations in order to prevent their operations from falling behind Best Buy in computer sales and consumer electronics.

EMERGING GROWTH RESEARCH, LLP JOSEPH A. NOEL JNOEL@EMERGINGGROW.COM	GEEKS ON CALL HOLDINGS, INC. REVENUE AND EARNINGS MODEL										
	FYE-2007	Nov 2007	Feb 2008	MAY 2008	Aug 2008	FYE-2008	Nov 2008	Feb 2009	MAY 2009	Aug 2009	FYE-2009
REVENUES:											
FRANCHISE, AREA DEVELOPER AND INITIAL ADVERTISING FEES	\$1,210,770	\$262,810	\$141,055	\$111,959	\$131,000	\$646,824	\$200,000	\$160,000	\$200,000	\$160,000	\$720,000
ROYALTIES & ADVERTISING FEES	5,840,221	1,317,201	1,259,378	1,134,560	1,336,000	5,047,139	1,158,349	1,243,353	1,278,685	1,364,911	5,045,298
OTHER AND COMPANY OWNED	56,863	25,060	10,630	92,300	187,000	314,990	1,147,376	1,523,271	2,075,009	2,438,232	7,183,888
TOTAL REVENUE	7,107,854	1,605,071	1,411,063	1,338,819	1,654,000	6,008,953	2,505,725	2,926,624	3,553,694	3,963,143	12,949,186
OPERATING EXPENSES:											
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	4,035,662	978,021	1,688,374	1,706,000	1,723,400	6,095,795	2,289,458	2,519,760	2,690,346	2,798,677	10,298,241
ADVERTISING EXPENSE	3,993,017	998,699	998,622	1,015,000	1,005,440	4,017,761	1,032,502	1,034,604	1,035,262	1,028,225	4,130,593
DEPRECIATION AND AMORTIZATION	170,535	36,386	37,150	37,500	37,000	148,036	58,805	61,693	63,526	64,351	248,375
TOTAL OPERATING EXPENSES	8,199,214	2,013,106	2,724,146	2,758,500	2,765,840	10,261,592	3,380,765	3,616,057	3,789,134	3,891,253	14,677,209
INCOME/(LOSS) FROM OPERATIONS	(1,091,360)	(408,035)	(1,313,083)	(1,419,681)	(1,111,840)	(4,252,639)	(875,040)	(689,433)	(235,440)	71,890	(1,728,023)
OTHER INCOME (EXPENSE):											
OTHER INCOME	0	0	4,275	3,245	2,200	9,720	2,323	1,157	967	900	5,347
DIVIDENDS ON MANDATORILY REDEEMABLE PREFERRED STOCK	39,727	17,202	10,862			28,064					
INTEREST INCOME (EXPENSE), NET	(16,920)	(419)	(364)	(300)	(300)	(1,383)	(300)	(300)	(300)	(300)	(1,200)
NET LOSS BEFORE PROVISION FOR INCOME TAXES	(1,114,167)	(424,818)	(1,319,306)	(1,416,136)	(1,109,340)	(4,269,600)	(872,417)	(687,976)	(234,173)	73,090	(1,721,476)
INCOME TAX (BENEFIT)	0					0			9,052	55,412	64,464
NET INCOME (LOSS)	(1,114,167)	(424,818)	(1,319,306)	(1,416,136)	(1,109,340)	(4,269,600)	(872,417)	(687,976)	(243,225)	17,678	(1,785,940)
PREFERRED STOCK DIVIDEND	239,835	59,793	9,199								0
NET INCOME	(1,354,002)	(484,611)	(1,328,505)	(1,416,136)	(1,109,340)	(4,338,592)	(872,417)	(687,976)	(243,225)	17,678	(1,785,940)
EARNINGS PER SHARE	(\$0.62)	(\$0.22)	(\$0.16)	(\$0.10)	(\$0.08)	(\$0.30)	(\$0.06)	(\$0.05)	(\$0.02)	\$0.00	(\$0.12)
TOTAL OUTSTANDING SHARES (1,000s)	2,223	2,225	7,370	14,000	14,300	14,300	14,700	14,900	15,000	15,100	15,100

EMERGING GROWTH RESEARCH, LLP SAN FRANCISCO, CA JOSEPH A. NOEL jnoel@emerginggrow.com	GEEKS ON CALL HOLDING, INC	
	BALANCE SHEET	
	FEBRUARY 29, 2008	AUGUST 31, 2007
	(UNAUDITED)	(AUDITED)
ASSETS		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 1,363,875	\$ 280,846
ACCOUNTS RECEIVABLE	301,781	248,091
NOTES RECEIVABLE, CURRENT PORTION	88,196	145,892
LEASE RECEIVABLE, CURRENT PORTION	14,725	-
EMPLOYEE ADVANCES	65,761	-
PREPAID EXPENSES AND OTHER CURRENT ASSETS	458,779	255,402
TOTAL CURRENT ASSETS	2,293,117	930,231
PROPERTY AND EQUIP	485,573	483,857
OTHER ASSETS:		
DEPOSITS	1,784	1,784
NOTES RECEIVABLE, LONG TERM PORTION	431,621	406,999
LEASE RECEIVABLE, LONG TERM PORTION	8,550	-
TRADEMARKS	8,122	8,600
TOTAL OTHER ASSETS	450,077	417,383
TOTAL ASSETS	\$ 3,228,767	\$ 1,831,471
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 1,081,080	\$ 1,142,087
LINE OF CREDIT	-	200,000
OBLIGATION UNDER CAPITAL LEASE	92,167	53,909
DEFERRED FRANCHISE AND INITIAL ADVERTISING FEES	141,607	271,450
TOTAL CURRENT LIABILITIES	1,314,854	1,667,446
LONG-TERM LIABILITIES:		
OBLIGATION UNDER CAPITAL LEASE	26,955	53,909
SHARES SUBJECT TO MANDATORY REDEMPTION	-	685,000
DEFERRED RENT EXPENSE	51,379	50,914
TOTAL LIABILITIES	1,393,188	2,457,269
STOCKHOLDERS' EQUITY (DEFICIT)		
PREFERRED STOCK CLASS B	-	2,152,417
PREFERRED STOCK CLASS C	-	741,291
COMMON STOCK, PAR VALUE OF \$0.001	13,800	4,707
ADDITIONAL PAID-IN CAPITAL	8,859,558	1,846,446
ACCUMULATED DEFICIT	(7,037,779)	(5,370,659)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	1,835,579	(625,798)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$ 3,228,767	\$ 1,831,471

EMERGING GROWTH RESEARCH, LLP SAN FRANCISCO, CA JOSEPH A. NOEL JNOEL@EMERGINGGROW.COM	GEEKS ON CALL HOLDING, INC	
	STATEMENT OF CASH FLOWS	
	SIX MONTHS ENDED	
	FEBRUARY 29, 2008	FEBRUARY 28, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET LOSS	\$ (1,598,128)	\$ (273,893)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	73,536	86,470
BAD DEBT EXPENSE	64,022	-
FAIR VALUE OF VESTED OPTIONS ISSUED TO EMPLOYEES	264,990	-
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
ACCOUNTS RECEIVABLE	(117,712)	33,947
PREPAID EXPENSES AND OTHER CURRENT ASSETS	(203,377)	(351,557)
EMPLOYEE ADVANCES	(65,761)	-
DEPOSITS	-	25,000
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	(15,295)	84,393
DEFERRED FRANCHISE FEES	(129,843)	(77,930)
DEFERRED RENT EXPENSE	465	2,081
NET CASH USED IN OPERATING ACTIVITIES	(1,727,103)	(471,489)
CASH FLOWS FROM INVESTING ACTIVITIES:		
PROCEEDS FROM SALE OF INVESTMENTS	-	43,239
ISSUANCE (REPAYMENTS) OF LOANS TO FRANCHISEES AND OTHERS, NET	9,799	(231,170)
PURCHASE OF PLANT AND EQUIPMENT	(74,774)	(51,276)
NET CASH USED IN INVESTING ACTIVITIES	(64,975)	(239,207)
CASH FLOWS FROM FINANCING ACTIVITIES:		
REDEMPTION OF COMMON STOCK	(23,100)	-
REPAYMENT OF NOTE OBLIGATION	(110,000)	-
REPAYMENT OF CREDIT LINE	(200,000)	-
PROCEEDS (REPAYMENTS) OF CAPITAL LEASE OBLIGATION	11,304	(84,450)
PROCEEDS FROM ISSUANCE OF SHARES SUBJECT TO MANDATORY REDEMPTION	-	385,000
REPAYMENTS (ADVANCES) TO PREFERRED STOCKHOLDERS	-	(57,500)
PROCEEDS FROM SALE OF COMMON STOCK	3,196,903	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,875,107	243,050
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,083,029	(467,646)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	280,846	667,856
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,363,875	\$ 200,210

Analyst and Other Important Disclosures

Analyst Certification - I, Joseph Noel, hereby certify (1) that the views expressed in this research company report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this company report and (2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this company report.

Analyst:

Joseph Noel is a 29-year veteran of the telecommunications and investment industries. Joe was recently a senior analyst at Pacific Growth Equities, LLC, where he tracked the communications equipment/services and advanced industrial sectors. Prior to Pacific Growth, he covered both the telecommunications equipment and services industries at Hambrecht & Quist and was employed by Gartner/Dataquest as a communications industry analyst. Before becoming an analyst, Mr. Noel received solid industry experience at a number of telecommunications carriers, including MCI, where he was responsible for the frame relay product marketing launch; and British Telecom, where he was involved in strategic planning for the company's Internet access service. He was also employed by various Bell Operating Companies in both marketing and technical roles for nearly ten years. Mr. Noel received his MBA in finance from Wake Forest University, and holds a BS in business and economics. A four-time Wall Street Journal All-Star Analyst, Joe specializes in emerging growth companies in the communications, Internet and advanced industrial equipment sectors.

The coverage analyst uses a relative rating system in which stocks are rated as; BUY, SELL, or HOLD.

Stock Ratings:

BUY - the stock is expected to outperform the unweighted expected total return of the sector over a 12-month investment horizon.

SELL - the stock is expected to under perform the unweighted expected total return of the sector over a-12 month time horizon

HOLD - the stock is expected to perform in line with the unweighted expected total return of the sector over a 12-month investment horizon.

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