

**For Immediate Release**

# **NEWS RELEASE**

## **SMG 10X Partners with GEAR Energy Systems to Cut Energy Use & Create Jobs**

*SMG 10X helps Iraq war disabled vet, West Point grad create energy efficiency engineering company cutting energy costs of public/private computer centers and creating California jobs*

**Los Angeles, California, July 14, 2010**—GEAR Energy Systems, an energy engineering services company in Danville, CA, was launched today to provide baseline energy audits, information technology refresh plans and utility incentive solutions for power hungry data centers and computing facilities. The newly formed company is a service disabled veteran owned small business (SDVOSB) whose mission is to cut energy use, save taxpayer dollars and create wide range of high tech jobs throughout California.

SMG 10X, Inc is an investor/partner in GEAR and Mr. Schultz and Dr. McKay serve as officers and directors. SMG 10X, Inc is a management consulting firm focused on innovative solutions and a veteran owned business.

GEAR's customers include local, state and federal government agencies, government contractors and other non-residential accounts with small to large computing centers. These organizations are looking for ways to cut electricity costs by improving power utilization across the enterprise including consolidation of assets and outsource of non-core computing services.

In California, where nearly 50% of all electricity is consumed by commercial and industrial firms, there are over 50,000 government agencies and businesses with computing centers using inefficient IT gear, HVAC and cooling systems.

"This is a fast growth market with significant pent up demand from both political and financial pain to drive out cost and streamline operations. Government agencies and businesses have mandates to quickly cut energy and facility costs by replacing aging and energy wasting IT equipment and systems critical to the success of the enterprise," said Nathan Grant, president and CEO of GEAR. "GEAR reduces energy needs, saves tax dollars and creates jobs."

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A data center houses computer systems, telecommunications and storage systems and generally includes redundant power supplies, redundant data communications connections, environmental controls such as air conditioning, fire suppression and security devices. A data center can occupy one room, one or more floors, or an entire building. Equipment includes servers fitted in 19 inch rack cabinets placed in single rows forming corridors. By 2011 data centers will consume over 100 billion kilowatt hours of energy over double the 2006 level.

Last month the president issued an order for all US government agencies to combine or reduce data center costs by \$3 billion by 2011 and to have a plan in place to consolidate data centers and other properties by 2015. The Department of Energy has directed cost savings across federal agencies data center and computing sites. Washington believes current technologies and best practices can extend the life of current facilities while reducing energy costs between 20% and 50% and avoiding millions of tons of carbon emissions today.

“We take the complexity out of the energy audit process and provide the customer options and recommendations for data center and computing facility migration and incentive dollars from the utility company,” Grant said. “Our three step process for computing center energy audit, project ‘greening’ and utility incentive coupled with system sustainability simplifies the complexity in achieving these needed changes.”

In 2010 over 20% of a company’s energy costs go to powering the data center with most used by the computing center’s cooling systems, IT equipment and lighting. To reward energy efficient agencies and companies the California Public Utilities Commission (CA PUC) has directed utility firms to provide substantial energy incentive or rebate dollars to companies who invest in equipment to reduce energy use and implement energy savings plans.

The GEAR engineering and audit team will help these agencies comply and save taxpayer dollars. The company provides the critical baseline audit of computing facilities, a vital first step before a data center refresh plan can be mapped and implemented. GEAR works in parallel with DoE, its Energy Star office and local energy utilities including PG&E, Southern California Edison and San Diego Gas & Electric and employs best practice guidelines including those fostered by industry consortium The Green Grid and Lawrence Berkeley National Labs.

“Our team of engineers and auditors are energy audit trained and certified and provide a professional baseline and work closely with the facilities, CIO and management teams to develop a plan for success. We also manage the incentive process with the many California utilities created to promote energy refresh and put money on the balance sheets of energy minded customers,” Grant said.

To meet projected demand for baseline energy audits and related services GEAR expects to generate numerous high paying professional jobs in California starting this year. These include program managers, sales people, engineers, IT center auditors, service and support specialists, administrators and finance positions, the company said.

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Grant, a Bay Area native, is a 2001 graduate in history and environmental engineering of the U.S. Military Academy at West Point and of the US Army's Ranger School. He spent a year in Iraq as a platoon leader and executive officer providing security and support to the Iraqi people improving their post invasion standard of living and regional stability. Under his leadership Grant and his team built schools and other basic quality of life projects for the Iraqi people. The former Army captain was recently elected president of the West Point Alumni Association for the San Francisco Bay Area chapter.

Returning home he worked as a project engineer and manager at construction firms and he started a Bay Area construction business called GW Restoration, Inc. from which GEAR Energy Systems has emerged. After two years of success a crowded market turned downward and suffering from a broken credit market and thinning margins prompted Grant to rethink his business model and direction. Partnering with SMG 10X, Inc., another veteran owned small business headed by James Schultz and Dr. Dean McKay, and known for developing creative opportunities and innovative solutions for business, Grant help architect the firm's transformation, which focused on creating new customers in new markets.

#### **About Gear**

GEAR provides simplified and cost effective energy efficiency solutions to local, state and federal government agencies, government contractors and other non-residential customers in the western United States through value added services that meet business needs while reducing electricity usage and overall enterprise costs. GEAR is a California corporation and dba firm of GW Restoration, Inc. with offices in Danville (Contra Costa County) in northern California and in Moorpark (Ventura County) of southern California.

#### **About the Service Disabled Veteran Owned Business Program**

The Benefit Act of 2003 ([15 U.S.C. 657f](#)) created the procurement program for small business concerns owned and controlled by service-disabled veterans with the purpose of providing Federal contracting assistance to service-disabled veteran-owned small business concerns. In 2004 President George Bush signed Executive Order 13360 directing all federal agencies to support SDVOSB firms and GSA implemented the **21 Gun Salute** program. The program calls for SDVOSB to receive a minimum of 3% of all federal contracts. The White House, Dept of Veterans Affairs and GSA indicated expanding business opportunities in federal contracting for SDVOSBs is one way to honor the men and women who, throughout history, have served proudly and courageously in the Armed Forces.

<http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=17114&channelId=-24904>

For more information on GEAR and its capabilities please contact the company web site at [www.gearenergysys.com](http://www.gearenergysys.com) at [info@gearenergysys.com](mailto:info@gearenergysys.com) or at 510-566-1655 or 805-990-6177.

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