

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) May 23, 2007

CopyTele, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-11254

11-2622630

(Commission File Number)

(IRS Employer Identification No.)

900 Walt Whitman Road, Melville, NY

11747

(Address of Principal Executive Offices)

(Zip Code)

(631) 549-5900

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry Into a Material Definitive Agreement.

On May 23, 2007, CopyTele, Inc. entered into a Long Term Agreement with The Boeing Company ("Boeing"). The Long Term Agreement governs the purchase from time to time by Boeing of CopyTele's encryption products and services. The term of the Long Term Agreement is three years. The Long Term Agreement replaces a prior Long Term Agreement that CopyTele had entered into with Boeing's subsidiary, Boeing Satellite Systems International, Inc., which had expired.

The Long Term Agreement allows Boeing to provide, among other things, CopyTele's encryption products for use over the Boeing-built Thuraya satellite communications network. Under the Long Term Agreement, Boeing will distribute CopyTele's products on a non-exclusive basis. Customers desiring to purchase such products will be able to find authorized Boeing sales information under the "Encryption Products" link on CopyTele's website, www.copytele.com.

There is no material relationship between CopyTele or any of its affiliates, on the one hand, and Boeing, on the other, except for the Long Term Agreement.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

10.1 Long Term Agreement, dated May 23, 2007, between
 The Boeing Company and CopyTele, Inc.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COPYTELE, INC.

By: /s/ Denis A. Krusos

Denis A. Krusos
Chairman of the Board,
Chief Executive Officer

Date: May 24, 2007

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EXHIBIT INDEX

| Exhibit No. ----- | Description ----- |
|----------------------|--|
| 10.1 | Long Term Agreement, dated May 23, 2007, between The Boeing Company and CopyTele, Inc. |

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LONG TERM AGREEMENT

AGREEMENT # 952619

Between

THE BOEING COMPANY
and

CopyTele Incorporated

BEST Supplier Code

BE10343641

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This Agreement is entered into by and between The Boeing Company (hereinafter referred to as "Buyer"), and CopyTele. (hereinafter referred to as "Seller"), with offices at 900 Walt Whitman Rd. Ste 203C Melville, NY 11747.

WITNESSETH

In consideration of the promises set forth herein, the parties hereto mutually agree as follows:

This Long Term Agreement (hereinafter referred to as "LTA" or "Agreement") sets forth terms and conditions for the procurement of supplies and services in support of various Boeing programs on an as required basis. Seller agrees to furnish such supplies and/or services as may be ordered by Buyer, from time-to-time at the prices and terms and conditions set forth herein.

This Agreement consists of the Title page; the Schedule, the Signature page and the following Exhibits, are incorporated herein by reference:

| EXHIBITS: | TITLE: |
|-----------|---------------------|
| ----- | ----- |
| Exhibit A | Parts Price List |
| Exhibit B | Pro-6088 Forms |
| Exhibit C | Technical Documents |

SCHEDULE

1. DEFINITIONS

- 1.1. BOA: Basic Ordering Agreement, also as appropriate Corporate Agreement (CA), Blanket Contract and Long Term Agreement (LTA).
- 1.2. Buyer: The Boeing Company
- 1.3. Documentation: user manuals, training materials, product descriptions and specifications, technical manuals, license agreements, supporting materials and other printed information relating to Goods and/or Services, whether distributed in print, electronic, CD-ROM or video format.
- 1.4. Estimated Expenditure Limitation: is an estimated total value of orders to be released during a specified period.
- 1.5. Goods: individually or collectively as appropriate, hardware, software and related documentation, maintenance agreements, support agreements and/or licenses delivered by physical or electronic means as specifically defined by this Agreement.

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- 1.6. Lead-Time: the time span from when Buyer releases an Order to Seller to when the goods and/or services are received by Buyer.
- 1.7. Order: a Delivery Order, Purchase Order, Purchase Contract, Work Order, Blanket Purchase Order, Release or any other Buyer-authorized procurement document issued by Buyer to Seller referencing this Basic Ordering Agreement (BOA).
- 1.8. Seller: Copytele Incorporated
- 1.9. Services: On-site or off-site non-receivable services and associated materials billed as time and material/labor hours as specifically defined by this Agreement.

2. STATEMENT OF WORK

- 2.1 Seller shall provide wireless encryption devices and accessories, and related services and documentation required to build and support information technology infrastructure, network infrastructure, "proof-of-concept" laboratories, voice service solutions and any emerging needs.
- 2.2 The goods and services are identified in Exhibit A "Parts Price List" and in accordance with the delivery schedules and firm fixed-prices set forth therein.
- 2.3 There is no guarantee of minimum usage under this LTA. Buyer will not be obligated to place any individual Orders.

3. PERIOD OF PERFORMANCE

- 3.1 The effective term of this Agreement shall be for a period of three (3) years beginning on the date of Buyer's execution of this agreement and ending May 25, 2010.

- 3.2 Seller shall accept and process all orders issued by Buyer during the period of performance notwithstanding that the delivery dates of any orders may extend beyond the period of performance.

4. ESTIMATED EXPENDITURE LIMITATION

- 4.1 Any estimates regarding forecasts, planning, and/or quantities provided to Seller by Buyer in any document relating to this agreement are to be considered informational only and represent no commitment by Buyer to purchase any particular quantity of supplies or service.
- 4.2 The parties agree that this agreement may be incrementally

funded. The current maximum amount for which Buyer will be liable under this agreement is \$ 200,000. This amount may be periodically increased as indicated in paragraph 4.3 below.

- 4.3 Any expenditure or obligation in excess of the amount(s) set forth above, as it may from time to time be increased, which is incurred by Seller in furtherance of performance under this agreement, will be at Seller's own risk. Seller will not be bound to continue performance if such performance would cause the amount to be expended or obligated to exceed the then current estimated expenditure limitation. Seller will, upon reaching eighty-five percent (85%) of the then current estimated expenditure limitation, notify Buyer's authorized agent. Upon receipt of Seller's notice, Buyer will then determine whether or not to increase the then current expenditure limitation. Alternatively, Buyer may, at its option, unilaterally increase the then current estimated expenditure limitation. The then current estimated expenditure limitation may be increased by the issuance of a unilateral change to this Agreement, signed by an authorized agent of Buyer, or by a bilateral amendment to this Agreement.

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- 4.4 Notwithstanding any other provision of this Agreement, Buyer will not be obligated to pay Seller more than the price of each order, together with its amendments, for performance under this agreement, including termination costs, if any.

- 4.5 There is no guarantee of minimum usage under this Agreement.

5. PRICING/RATES

- 5.1 The prices covered by this Agreement are set forth in Exhibit A "Parts Price List."

- 5.2 The prices are firm-fixed for the term of this Agreement.

5.3 RATES - SERVICES

- 5.3.1 The labor rates above include Subcontractor's profit, overhead and supervision costs, social security taxes and contributions, workers' compensation costs, and all other applicable taxes and insurances, expenses for utilities, equipment, all direct and indirect operating expenses, and all other expenses, of whatever nature, except as specifically provided elsewhere in this Agreement.

- 5.3.2 No overtime will be charged to this Agreement unless such overtime is approved in advance in writing by Buyer's authorized technical representative.

- 5.3.3 The labor rates above are not portal-to-portal; i.e., billable hours start upon arrival at the work site and end upon departure from the work site.

- 5.3.4 Reimbursement for Travel and Expenses - Travel is not authorized on this agreement, unless prior written approval is obtained from the Technical Representative.

- 5.3.5 Labor rates above do not include Travel & Expenses (T&E) associated with the performance of services. Authorized T&E expenses will be billed directly to Buyer separate from labor hours, at the actual cost incurred by Seller, with no mark up. Actual travel (air and/or vehicles) and lodging expenses will be billed at an actual cost incurred basis according to the U.S. government Services Administration Federal Travel Regulations (FTR). Meals and incidental expenses (M&IE) will be billed on a per-diem basis on the FTR established rate.

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6. ORDERING

Individual Orders will constitute the sole authority for procurement of all items under this agreement. Buyer may issue, and Seller shall accept, Orders for the products described herein. However, Buyer and Seller agree that this agreement does not constitute an Order for any items, nor shall it be construed as authorizing work hereunder.

7. DELIVERY

7.1 Items shall be delivered in accordance with the delivery requirements as set forth in individual Orders. Buyer may issue orders requiring delivery to multiple destinations.

7.1.1 Delivery locations shall include but not be limited to any Boeing IDS or Boeing Commercial Airplane sites and facilities.

7.2 F.O.B. point shall be ORIGIN. (Ship in accordance with instructions found in Supplier Management and Procurement Information - Routing Instructions), located on web site: <http://www.boeing.com/companyoffices/doingbiz/routinginst/routing.htm>

7.3 Seller's lead-time shall be as set forth in Exhibit A "Parts Price List" of this Agreement. Each Order shall contain the required delivery date.

7.4 Packaging Requirements

Seller shall strictly adhere to Packaging Requirements specified in each individual Order.

8. IDENTIFICATION, INVOICING AND PAYMENT

8.1 Seller shall submit invoices to the Accounts Payable Department as specified in the applicable Order. (Not applicable to Orders utilizing pay from receipt process).

8.2 Seller invoices shall comply with the instructions of the applicable Order. Each invoice shall contain but not be limited to the following: (1) Order Number (2) Agreement Number, (3) Item Description, (4) Unit Price, (5) Total Amount Billed.

8.3 Payment Terms under this agreement are: Net 30 days.

8.4 The individual purchase orders referencing this LTA will indicate whether the purchases are for resale or not for resale.

The Buyer's Tax Permit Numbers applicable to this Agreement are located at the following website:

<http://finance.whq.boeing.com/Tax/taxgroup/taxregbystate.htm>
or, contact the Tax Department at 562-797-3151 for assistance.

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8.5 SERVICES

8.5.1 Travel and expenses are to be listed separate from the hourly rates and must include dates and location of travel. All invoices for travel must contain the following certification to FAR 31.205.45 for all applicable travel and expenses as follows: "All amounts claimed are in accordance with the FAR and are allowable as defined there under."

8.5.2 Subcontractor's representative shall, on a weekly basis, present a completed Technical Services Timecard (Exhibit "TBD") or Subcontractor's equivalent, to Buyer's technical representative, who shall verify the accuracy of the Accounting, hours expended, and other services provided and sign. There is to be only one timecard per week per employee. If Subcontractor's representative is working for more than one Boeing technical representative, all Boeing technical representatives must sign. The Subcontractor shall attach the signed Technical Services Timecard to their invoice and forward to Accounts Payable in accordance with Section VIII.D entitled "Invoicing."

8.5.3 Invoices shall be approved by the identified Invoice Approver or his/her Authorized Designee reflected on each specific individual Order.

8.5.4 Upon completion of the work required under this Contract, Subcontractor shall promptly submit to Buyer an appropriate executed "certification as to the hours expended" which certifies the total number of direct technical labor hours expended under this Subcontract, as follows:

"I hereby certify that the direct labor hours and other direct costs as itemized hereon represent the actual direct labor hours and other direct costs accumulated pursuant to the Contract identified herein.

9. TECHNICAL INTERFACE

This provision is applicable to Orders for services only.

For services, all technical interfaces with Subcontractor will be coordinated through the identified Technical Representative identified on each individual Order.

10. QUALIFICATION OF PERSONNEL

This provision is applicable to Orders for services only.

10.1 No person objected to by Buyer shall be assigned by Seller to perform services hereunder, and upon receipt of a written request from Buyer for the replacement of any such person, such person shall be removed and a satisfactory replacement furnished. However, the Seller shall not remove, reassign, or transfer any Seller employee acceptable to Buyer without the written permission of the Buyer during the term of this Contract.

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10.2 If, within the first twenty-four (24) hours of assignment, any of the Seller's personnel prove to be unsatisfactory within the discretion of the Buyer, no charge will be made to Buyer for the time worked or services rendered during this period by such personnel. Seller shall save and hold Buyer harmless from any and all liability from the exercise of its discretion.

10.3 If objections to the qualifications of the Seller's personnel are not raised by Buyer within the first five (5) working days, said personnel will be considered qualified for the assignment, provided, however, at any time after expiration of the above first five (5) working day period Seller further shall withdraw and replace immediately any personnel that Buyer deems unacceptable, even though such personnel have been approved previously by Buyer and provided, further, that in this event, the Seller shall be entitled to payment for services of the personnel up to the date Buyer requests the personnel to be withdrawn. If Seller's personnel who are acceptable to Buyer subsequent to the five (5) working day trial period resign or are acceptable to Buyer subsequent to the five (5) working day trial period resign or discontinue employment for other reasons, such personnel shall be immediately replaced by the Seller without additional cost to Buyer except as otherwise provided in this Contract. Seller shall be entitled to payment for services of personnel who discontinue employment up to and including the date of such discontinuance.

10.4 Buyer reserves the right to terminate the services of one or all of the Seller's personnel on twenty-four (24) hours notice.

10.5 In the event that Engineering Services are required as stated in Exhibit A "Parts Price List" seller shall complete all required documentation as stated in Exhibit B "Pro-6088".

11. EXPORT CONTROL NOTICE

Seller shall presume that all drawings, specifications, and other technical data or goods provided by Buyer to Seller contain information subject to export control laws. Whether or not specifically identified or marked as such by Buyer. Seller Shall not disclose (oral, visual, written or otherwise) or provide such drawings, specifications and other technical data or goods to any foreign person (including but not limited to Seller's employees, Seller's subcontractor's, etc.) or foreign firm or institution, without first obtaining authorization from the Department of State, and notifying Buyer in advance of its intentions to do so.

A "foreign firm or institution" means those organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes any agency or instrumentality of a foreign government, and firms, institutions or business organizations that are owned or are substantially controlled by foreign governments, firms, institutions, or individuals.

A "foreign person" does not include United States citizens and corporations and permanent resident aliens of the United States.

Seller shall include the above paragraphs in all its purchase contracts and solicitations.

Information furnished to Seller under this solicitation/purchase contact may contain technical data as defined as defined in the International Traffic in Arms Regulations ("ITAR") at 22 CFR 120.10. Seller is advised and hereby acknowledges that such technical data may not be exported, disclosed or transferred to any foreign person, as defined in the ITAR at 22 CFR 120.16, without first complying with all the requirements of the ITAR (22 CFR 120-130) including requirements for obtaining any required export authority. If such technical data is marked as ITAR controlled, Seller shall indemnify and hold Buyer harmless from and against any and all claims, liabilities and expenses resulting from Seller's failure to comply with the export laws and regulations of the United States.

By law, Buyer must control access to export controlled technical data within its facilities. Therefore, Seller shall only assign personnel to perform work in Buyer's facilities who are either U.S. citizens or who have been granted Permanent Resident Alien status in the U.S. Seller's personnel will be required to furnish documentary evidence of citizenship or immigration status to Buyer's Security Badge and ID personnel at the time of badge pick-up. Acceptable documentary evidence of citizenship or immigration status includes U.S. Passport, Certificate of U.S. Citizenship, Certificate of Naturalization, certified copy of U.S. Birth Certificate, U.S. Alien Registration Receipt Card with Photo, and un-expired foreign passport with INS-551 stamp or Certificate of Birth Abroad issued by U.S. Department of State.

12. FOREIGN STATUS

Unless Seller has notified Buyer of its foreign status, by acceptance of this Contract, Seller agrees and certifies that:

- 1) it is not a foreign corporation
- 2) it is not a Representative of a Foreign Interest (RFI), and
- 3) it will not employ any foreign persons on the effort related to this Boeing procurement.

Seller agrees to notify Boeing of any change in status set forth above.

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13. SECURITY REQUIREMENTS

This provision is applicable to Orders for services only.

If required, processed and approved on individual Orders, the Seller shall comply with the security requirements of the Contract Security Classification Specification, DD Form 254. Once approved, the DD Form 254 will be incorporated by reference into the individual Order.

14. PARTICIPATION

14.1 Seller agrees that any Boeing division or Boeing subsidiary ("Boeing Entity") not specifically included in this Agreement may place orders under this Agreement during the term hereof or any written extension thereof, under the terms, conditions and pricing specified by this Agreement. Seller agrees that the prices set forth herein may be disclosed by Boeing on a confidential basis to Boeing entities wishing to invoke this Section. Seller shall notify the Boeing Procurement Representative named in Section 13.0 of this Agreement of Boeing Entities not specifically referenced herein who frequently use this Agreement.

14.2 Buyer Subcontractors/Suppliers - Seller agrees that any subcontractor or supplier performing work for Buyer, including but not limited to inventory management, (hereinafter referred to as "Buyer Subcontractor") may issue an order or contract with Seller independent of the Agreement. Seller agrees to sell items to such Buyer Subcontractor for its use in its contracts with Buyer at the prices set forth herein or at a price that reflects the pricing methodology used under the Agreement. Buyer assumes no obligation, including payment obligation, with respect to such independent contract. Seller may request written verification from the Buyer Subcontractor that the items ordered pursuant to the authority of the Agreement support Buyer requirements. Seller shall periodically inform Buyer of each such request invoking this participation right. Seller shall not release stock material to other than the forecasting site without prior consent from the affected site(s) unless stocked material quantity is in excess of the total forecasted amount.

14.3 Notification of Contract In the event a purchaser known by Seller to be a Boeing Entity or Boeing Subcontractor places an order for

supplies or services covered by this Agreement but fails to reference this Agreement or otherwise seek the prices established by this Agreement, Seller shall notify such purchaser of the existence of this Agreement and the prices established hereunder and shall offer such prices to such purchaser.

14.4 Notification of Price Reductions: If Seller is awarded an additional order or contract by another Boeing Entity that results in any price less than that established under this Agreement, Seller agrees to notify the Boeing Procurement Representative immediately of said price reductions and shall extend all such price reductions to this Agreement.

15. PRIORITY RATING

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15.1 The following certification will be applicable to all DPAS-Rated Orders issued under this contract against government prime contracts:

"This is a rated order certified for national defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System (DPAS) regulation (15 CFR 700). Pursuant to the DPAS regulation, you are required to acknowledge this order in writing within fifteen working days after receipt of a 'DO' rated order and within ten working days after receipt of a 'DX' rated order."

16. NOTICES AND CORRESPONDENCE

All notices and formal correspondence between the parties, in all matters dealing with this agreement, will be sent to the following addresses:

To BUYER: THE BOEING COMPANY
5301 Bolsa Avenue, M/C H012-B436
Huntington Beach, CA USA 92647-2099
Attention: Jeffrey M. Bertram
Telephone: (714) 372-0570
Fax: (562) 668-9239
Email: Jeffrey.m.bertram@boeing.com

To SELLER: CopyTele Incorporated
900 Walt Whitman Rd STE 203
Melville, NY USA 11747
Attention: Ron Tenio
Telephone: 631-549-5900 x 112
Fax: 631-549-5974
Email: rtenio@copytele.com

or any other address, provided prior written notice is given to the other party.

17. COST REDUCTION INITIATIVES

17.1 Value Engineering - Seller may from time to time submit proposals to Buyer to decrease Seller's performance costs or produce a net reduction in the cost to Buyer of the Goods. Provided, that such change shall not impair any essential functions or characteristics of the goods being purchased.

17.2 Submission of Proposal - Proposals shall be submitted to Buyer's Procurement Representative. Buyer shall not be liable for any delay in acting upon a proposal. Buyer's decision to accept or reject any proposal shall be final. If there is a delay and the net result in savings no longer justifies the investment, Seller will not be obligated to proceed with the change. Seller has the right to withdraw, in whole or in part, any proposal not accepted by Buyer within the time period specified in the proposal. Seller shall submit, as a minimum, the following information with the proposal:

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17.2.1 Description of the difference between the existing requirement and the proposed change, and the comparative advantages and disadvantages of each;

17.2.2 The specific requirements that must be changed if the proposal is adopted;

17.2.3 The cost savings and Seller's implementation costs;

17.2.4 Each proposal shall include the need dates for engineering release and the time by which a proposal must be approved so as to obtain the maximum cost reduction.

17.3 Acceptance and Cost Sharing - Buyer may accept, in whole or in part, any proposal by issuing a change order. Until such change order has been issued, Seller shall remain obligated to perform in accordance with the terms and conditions of the original Order.

17.3.1 Seller shall include with each proposal verifiable cost records and other data as required by Buyer for proposal review and analysis.

17.3.2 Each party shall be responsible for its own implementation costs.

17.4 Lean Savings/Reward Saving - Buyer and Seller agree to aggressively pursue cost-improvement opportunities. As part of this program Buyer and Seller agree to work together to eliminate waste and increase efficiencies involved in supply of Buyer goods being purchased. Tools such as AIW's (Accelerated Improvement Workshops) and Kaizen teams will be utilized to help reach cost-improvement targets. Buyer and Seller agree to support the improvement activities with necessary resources.

17.5 Cost-Reduction Goals - Buyer and Seller agree to develop plans and work towards the cost-reduction goals. Buyer and Seller shall agree to the saving share ratio prior to undertaking the cost reduction efforts.

18. PERFORMANCE CRITERIA

18.1 During performance under this Agreement, the Seller must maintain a minimum composite rating for quality and delivery of Bronze as defined by Buyer's enterprise performance measurement systems. If the Seller falls below Bronze in either category for three consecutive months, a corrective action plan (CAP) must be submitted to Buyer within two weeks of published performance data for Buyer's review and acceptance. The CAP shall include, but not be limited to, identification of the issue causing the infractions, Seller's corrective actions and a date when performance shall be at Bronze or better. This recovered Bronze level shall be maintained for a period of three (3) months. Failure to comply with this article may result in termination of this Agreement.

18.2 If the Seller is unable to meet the delivery or quality requirements for an individual Order, Buyer may issue an Order with an alternate source or direct Seller to obtain the goods from a Buyer-approved alternate source to satisfy Buyer's requirement. Examples where Buyer may impose this requirement include, but are not limited to: 1) Seller unable to meet normal lead time for an Order, 2) Seller unable to meet delivery schedule for an open Order, 3) Seller unable to support Buyer's expedited lead time.

19. ENTIRE AGREEMENT

This Agreement supersedes all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties with respect to the goods and services to be delivered under this Agreement.

<TABLE>
<CAPTION>

IN WITNESS WHEREOF, the parties hereto have executed this Agreement which is effective as of the date executed by the Boeing Company below.

<C>

<C>

THE BOEING COMPANY

COPYTELE INCORPORATED

/s/ Jeffrey M. Bertram

/s/ Denis A. Krusos

Authorized Agent

Seller's Representative

Jeffrey M. Bertram

5/22/2007

Denis A. Krusos

5/23/2007

Printed or Typed Name

Date

Printed or Typed Name

Date

| Title (print) | | Title (print) | |
|----------------|----------------|---------------|-----------|
| (714) 372-0570 | (562) 668-9239 | | |
| Telephone | Fax Phone | Telephone | Fax Phone |

</TABLE>

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Exhibit A

| Equipment Matrix | | Item Number | Description |
|------------------|----------------------------|-------------|----------------------------|
| 1 | Model Number Headset | HV-00014-00 | Headset DCS-1200/1400 |
| 2 | Thuraya DCS-1400 | | Thuraya Voice Encryption |
| 3 | DCS-1400 | | Wireless Voice Encryption |
| 4 | DCS-1400D | HV-00013-00 | Docker Voice Encryption |
| 5 | DCS-1200 | HV-00029-00 | Voice/Data Encryption |
| 6 | USS-900 | HV-00012-00 | Voice/Fax/Data Encryption |
| 7 | Thuraya USS-900 Narrowband | HV-00032-00 | Voice/Fax/Data Encryption |
| 8 | USS-900 Narrowband | HV-00030-00 | Voice/Fax/Data Encryption |
| 9 | Thuraya USS-900T | | Thuraya Fax Encryption |
| 10 | USS-900T | | Wireless Fax Encryption |
| 11 | Thuraya USS-900TL | | Landline Fax Encryption |
| 12 | USS-900TL | HV-00028-00 | Landline Fax Encryption |
| 13 | Thuraya USS-900TC | | Thuraya PC/Fax Encryption |
| 14 | USS-900TC | HV-00038-00 | Wireless PC/Fax Encryption |
| 15 | USS-900WF | | Wireless Fax Encryption |
| 16 | USS-900WFL | | Landline Fax Encryption |
| 17 | Thuraya Cable | | APsi Compatible Cable |
| Services Matrix | | | |
| 16 | Senior Engineer | | Hourly rate for Services |
| 17 | Staff Engineer | | Hourly rate for Services |

A. CopyTele is not considered a Small Business by definition, employing 22 personnel in our Melville, NY facility.

B. All encryption equipment is manufactured by CopyTele in the U.S. by citizens of the United States.

C. Pricing is based on a per unit cost with no quantity limitation.

D. Prices quoted are valid for 60 days.

E. Orders are based FOB CopyTele warehouse Melville, NY.

F. CopyTele provides a one-year replacement warranty from the date of shipment to Boeing.

G. CopyTele generally has enough inventory in stock to supply orders to Boeing, lead times for unusually large orders should not exceed 45-days from the date of a firm order commitment.

H. Engineering Services for Boeing requested projects will be billed at the rates listed above, the scope and timing of each project will be negotiated in advance by both parties before the commencement of work.

CopyTele encryption solutions are prohibited from export to Cuba, Iran, Libya, North Korea, Sudan and Syria without a valid Export License. Refer to the Code of Federal Regulations, Title 15 Commerce and Foreign Trade.

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Exhibit B

Purchased Services Agreement Application Package

The Boeing Company will procure purchased services by written agreement only. Purchase services may not be performed and payment will not be authorized until a properly processed and approved agreement has been fully executed. THIS IS NOT A PURCHASED SERVICES AGREEMENT - THIS IS THE APPLICATION TO BE CONSIDERED FOR A PURCHASED SERVICES AGREEMENT - NO WORK CAN BE PERFORMED AS A RESULT OF SIGNING THIS APPLICATION.

Purchased Services Agreement Acknowledgement form Page 2

Purchased Services Application Page 3-5

Application Attachments Page 6

- Conflict of Interest Questionnaire, copy attached
- Ethics Guidebook - Please review, form F70080, copy attached
- Non-Employee Code of Conduct, form F70096
- Non-Employee Ethics Acknowledgement, form F70082
- PRO 6375 "Trade Secrets and Restrictions on Acquisition and Use of Third Party (Non-Boeing) Proprietary Information".

To be considered by The Boeing Company or a subsidiary of The Boeing Company as a purchased services supplier, please complete this application and send a signed copy by fax or regular mail and an electronic copy by email of the completed application to the fax number or address and email provided below.

Please contact the Supplier Management/Global Partner focal (procurement agent)

if you have any questions.

| | |
|---|---|
| Supplier Management/Global Partners focal | |
| [Procurement agent name] | Jeff Bertram |
| [Mailing address] | 5301 Bolsa Avenue Huntington Beach, CA 92647 |
| [Telephone No.] | 714-372-0570 |
| [Fax No.] | 562-668-9239 |
| [Email address] | Jeffrey.m.bertram@boeing.com |

PURCHASED SERVICES ACKNOWLEDGEMENT FORM

As you are aware, you and your company are currently being considered for purchased services by The Boeing Company (Boeing) for certain products or services. The Boeing Supplier Management/Global Partner organization is responsible for negotiating and administering agreements for retaining purchased services. This letter is to specify the terms of our relationship while Boeing is considering your application. Boeing has a long-standing and continuing commitment to the highest standards of business conduct. Boeing has adopted processes and procedures to ensure compliance with such standards and applicable U.S. and local laws. The engagement of purchased services supplier must adhere to the compliance process used by Boeing for selection and retention of purchased services. As part of this process, those engaged as purchased services must be evaluated and approved by several functions within Boeing and the retention is not effective until an agreement has been executed by the supplier providing purchased services and accepted and executed by the appropriate business unit Supplier Management/Global Partner organization.

UNLESS AND UNTIL A FORMAL AGREEMENT HAS BEEN EXECUTED BY YOU OR YOUR COMPANY AND BY BOEING, YOU ARE NOT AUTHORIZED TO PERFORM ANY SERVICES FOR OR INCUR ANY EXPENSES ON BEHALF OF, OR REPRESENT YOURSELF AS BEING ASSOCIATED WITH BOEING IN ANY MANNER.

In addition, until an agreement has been fully executed, you or your company must refrain from providing any Boeing employee any information that you consider proprietary since Boeing currently has neither legal nor fiduciary responsibility to you with respect to any such information. Please be advised that you must NOT rely on verbal statements or representations of any Boeing employee indicating that you may proceed with performance until you and Boeing have executed a formal agreement. Should you take any actions based upon such an oral statement or representation, Boeing shall not be obligated to compensate you for such services, nor to assume any liability for such actions or the results of such actions.

As part of the purchased services review process, you will receive a copy of the publication Ethical Business Conduct Guidelines and will be required to certify that you and your company have read and understand and will comply with its contents as it applies to your services with Boeing. It is the commitment of Boeing to conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all laws and regulations. The highest standards of ethical business conduct are required of those providing purchased services to Boeing.

You acknowledge that in your work for Boeing, you or your company must not use or disclose information that is confidential to or owned by any former employer, client, or other third party (often referred to as "proprietary information"). You confirm that you or your company will not bring any such proprietary information into The Boeing Company and will not use any such proprietary information in performance of work for The Boeing Company.

Should you have any questions or comments regarding this letter, please contact the procurement agent listed above on page 1.

Prospective supplier: _____ Date: _____
Signature

Name/title

Company name

Boeing representative: _____ Date: _____
Signature

Name/title

PURCHASED SERVICES AGREEMENT APPLICATION

This form must be completed by the supplier/individual. An incomplete or unsigned form will cause a delay in processing the agreement. A signed Purchased Services Agreement is required to begin services.

Date:

1. Applicant

0 Individual 0 Company 0 Corporation 0 Partnership

Legal business name:

Business address:

Principal point of contact:

Telephone No.:

Fax No.:

Email address:

ID No. for tax purposes (e.g., SSN or Federal Taxpayer Identification No.):

Date business established:

If a corporation or partnership, identify place of incorporation or partnership registration:

Check the items below that apply to you and/or your business.

Size Information

(Check one only)

0 Small Business (SB)

0 Large Business

0 Foreign Business

0 Non-profit Organization

NISH yes0 no 0

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0 Historically Black College/ University or Minority Institution
Ownership Information

(Check as many as apply)

0 Small Disadvantaged or Minority Owned

0 SBA-Certified HUB Zone SB*

0 SBA-Certified Small Disadvantaged Business*

0 SBA(8a)-Certified Small Disadvantaged Business*

0 Veteran (American) Owned Self-Certified

0 Service-disabled Veteran (American) Owned Self-Certified

0 Women Owned

If you are minority owned, complete Owner Ethnicity Information Owner Ethnicity Information (Check one only)

0 Asian Pacific American

0 African American

0 Hispanic American

0 Native American 0Subcontinent Asian American

0 National Minority Supplier Development Council Certified**

*Include a copy of the Small Business Administration certification letter or PRO-Net profile showing certification.

**Include a copy of the National Minority Supplier Development Council certification.

2. Describe the specific services (statement of work) that you or your company will perform for Boeing. (Attach additional sheet if necessary.)

3. Identify all individuals, including yourself, (officers, employees, or subcontractors of applicant) who will perform services under this agreement: (If additional space is required, please list on a separate page.)

Name

Citizenship Hourly Rate

U.S.\$

4. YES 0 NO 0 Would any individual or entity other than an employee of the applicant assist applicant in providing services to Boeing? (e.g., subcontractor)

If yes, identify each such person or entity, provide resume and describe their relationship to the applicant and the assistance they would provide. Note: Any person or entity so identified will be required to submit a separate Purchased Services Application to Boeing. Please contact your Boeing Supplier Management /Global Partners focal.

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5. Describe the nature of any proposed contact with the U.S. or any other government, including anticipated frequency of contact, identity of offices or individuals with whom you or any individual identified above will deal, and any

other relevant information about the proposed dealings:

6. YES 0 NO 0 Does any U.S. or other government employee hold any ownership interest or exercise any management role in your organization?

If yes, identify the individuals and describe the extent of ownership or management control below.

I have reviewed this questionnaire, and I certify that the information I have provided in this questionnaire is complete and accurate to the best of my knowledge and I agree to promptly notify Boeing, in writing, of any changes to the foregoing answers.

Signature:

Printed or typed name:

Title:

Date:

Attachments

Conflict of Interest (COI) Questionnaire:

Ethics Guidebook:

Non-Employee Code of Conduct, form F70096

Non Employee Ethics Acknowledgement F70082

Intellectual Property and Confidentiality Agreement, Form F70083

PRO 6375

1. Please return completed application

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2. Return COI, Non-Employee Code of Conduct Certification and Non-Employee Ethics Acknowledgement forms for each individual who will perform services under this Agreement.

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Exhibit C

| TITLE: - - - - - | DATE: - - - - - |
|--|--------------------|
| Technical Specification DCS-1400 | 4/01/2004 |
| Technical Specification DCS-1200 | 4/01/2004 |
| Technical Specification USS-900 | 4/01/2004 |
| Technical Specification USS-900-Narrowband | 4/01/2004 |

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