



Executive Note

This year has been tremendous at Chameleon Technologies. We've doubled in size, expanded our client base and been recognized for several notable awards. None of this would have been possible without you – our loyal clientele, dedicated staff and supportive partner. 2007 is expected to bring continued growth in this area. The job market in Seattle remains very strong, and according to the Bureau of Labor Statistics, staffing services will be one of the fastest-growing industries over the next five to 10 years. We strive to support your ongoing needs and look forward to being a part of expected industry growth.

Read on to get the inside scoop from satisfied employees, check out the festivities from recent events and learn more about some exciting changes and milestones at Chameleon. If you are interested in submitting items or answering a few questions for our next email newsletter, please email Keri Richards at keri@chameleontechinc.com. We thank you for your support and wish you a wonderful and happy holiday season.

Sincerely,

Mike Luckenbaugh and Melissa Acton, co-founders of Chameleon Technologies

Employee Profile

We are delighted to feature Phil Maddocks in this issue of our newsletter. Phil has been working on contract with Chameleon as a Software Test Engineer at the Bill & Melinda Gates Foundation since August of 2004. Phil receives glowing feedback on his performance as a tester and is also admired by all of us here at Chameleon.

- **Tell us about your role at BMGF?**

I primarily perform QA verification for the in-place systems that help the Foundation efficiently fulfill its guiding principals.

- **What keeps you up at night about your job?**

On a literal level, often it is my job that requires that I be at work late but more often it is all the things that I have identified, that I still need to improve on.

- **How did Chameleon help you most in securing this position?**

Persistence with getting me the interview.

Client Profile

While Chameleon works with many wonderful clients, we were very inspired this year by DS-IQ's passion for growing their small team. Thomas Opdycke, the founder of DS-IQ, has been working with Chameleon Technologies as a client for over one year. DS-IQ brings marketing science and analytics technology to in-store digital networks.

- **What were the catalysts for starting your company?**

During 2001 and 2002 I saw more and more plasma screens used in public spaces, particularly in retail stores. Some of the content was visual eye candy, but I also saw some adventurous brands running promotional content. I saw an incredible opportunity to bring analytics and data-driven marketing tools to this new advertising medium. At DS-IQ, we automate new ways to increase sales by targeting ads based on shopper behavior.

- **Provide the top three challenges you encountered and how you overcame them.**

People, people and people. If you have great people you can overcome technical hurdles, difficulties in the marketplace, and challenges in forming the right strategic partnerships.

Luck. The first great bit of luck I had was in founding DS-IQ with a brilliant partner, William Wu. His background enabled us to attract other top-flight people. We also have an outstanding Board of Directors who supports our recruiting initiatives. It was the strong backgrounds of the core team that enabled us to build trust and confidence among the largest retailers and brand manufacturers.

- **How do you find great talent?**

We take a multi-pronged strategy; particularly in the strong tech hiring market we have today. We work with great placement services like Chameleon. We also work to build positive word of mouth, particularly among top-performing ex-coworkers. A clear and focused product development and market development strategy is also essential to attract the right talent at the right time.

- **What's the hardest job to fill at your company?**

That's difficult to answer. At our stage, all hires are critical. The contribution of each team member becomes a company-building cornerstone. We keep our recruiting focus on finding the right mix of skills from high performers.

- **What do you think are the keys to running a successful business?**

At the heart of our business is a well researched, carefully thought through business plan that has built-in metrics to track our progress. We are committed to its execution, and strive to do so through communicating our unique value in a powerful, compelling way that excites internal and external audiences. The goal: to attract and keep great talent and secure a customer base that maps to our strategic objectives.

- **If you had the chance to do it over, would you do anything differently?**

Well I think that any company can look back and find a couple of opportunities that didn't work out; where you wish you hadn't spent as much time trying to make things go. But overall we have been exceedingly fortunate in our timing in the marketplace. We have certainly benefited from the rapid growth and acceptance of in-store digital networks. At the same time TV broadcast advertising has lost effectiveness, and advertisers are looking for new ways to reach and impact shoppers. We're here to help them.

In The News: 2006 Job Trends Press Release

JOB TRENDS FOR 2006 DEFINED BY DEMAND, FLEXIBILITY, REFINED SKILLS AND DIVERSITY

Staffing-Experts Chameleon Technologies Reveal Top Hiring Trends for the Pacific Northwest Job Market

SEATTLE – October 24, 2006 – Chameleon Technologies, (a technical staffing and professional services company, revealed today the Top Five Trends marking the current job market in the Pacific Northwest. Based on researching its annual data, the company identified demand, flexibility, specific skill sets and diversity as the catalysts driving the area's hiring habits.

"It's a candidate driven job market right now," said co-founder of Chameleon Technologies, Mike Luckenbaugh. "Good

candidates are extremely hard to find, and as a result companies are having a tough time filling positions. Moreover, it's taking longer to find the right candidate and companies are often going through several rounds of applicants in order to secure the right person."

Chameleon also noted an increase in the need for remote workers, as a response to changing motivators related to transportation and traffic issues, as well as a preference for contract-status employees. "In a nutshell, companies want flexibility," continued Luckenbaugh. His business partner and co-founder of Chameleon Technologies, Melissa Acton, comments, "Undergoing the tremendous stress of surviving the technology bust, companies are growing much more cautious today." She continues, "When business is up, they want to be able to add support without adding desks and employees to their headcount, and when business is down, they need the same flexibility to adjust quickly, reducing losses. Interestingly enough, we find that many candidates prefer the same flexibility."

Chameleon also noted a significant increase in companies looking for candidates with more refined skill sets, specifically related to Java technology. The company, itself known for its diversity and emphasis on diverse workplaces, cited a marked up-tick in companies adding candidates that supported an effort to diversify their team. Supporting this trend, the Bureau of Labor Statistics predicted that by 2008, women and minorities would make up 70 percent of all new entrants to the work force.

According to Acton, this trend has already begun to shape the Pacific Northwest job market, "Our clients have become wise to the benefits of creating a more diverse workplace and voice their interest in candidates that express these attributes. More importantly, they are aware of the significant impact workplace diversification has on their overall success in business, particularly related to employee and customer satisfaction."

What's New With Chameleon

Promotions

- We are proud to announce the promotion of Andrea Estes to Recruiting Lead, where she will lead and mentor our growing recruiting team.

We would also like to announce two more promotions to be expected in January of 2007.

- Kyle Richey, former Technical Recruiter, will be promoted to an Account Manager, responsible for continued business development within Washington State and potentially Nevada as well.
- Eric Heilman, former Recruiting Coordinator, will be promoted to a Recruiting Specialist, focused on recruitment efforts within Systems Administration and Support as well as various Management level positions

Congratulations Chameleon Team for all your hard work and determination!

Awards

- Chameleon Technologies was selected as a Top Diversity Owned Business, Top Small Business and Top Woman Owned Business in Washington by DiversityBusiness.com.
- Chameleon Technologies was named one of Washington's Fastest Growing Privately Held Companies by the Puget Sound Business Journal. We were ranked at #23 out of 100 businesses honored.
- Chameleon Technologies was named one of Washington's Fastest Growing Minority-Owned Businesses by the Puget Sound Business Journal. We were ranked #5 out of 25 businesses honored.
- Chameleon Technologies was selected as a "Top Businesses in the United States" for 2006 by DiversityBusiness.com

Chameleon Events: Mariner's Game and Spaghetti Feed

We take pride in getting to know our contractors on both a professional and personal level. In an effort to do this we hold annual events to treat our contractors to a day away from "the office."

This year, we continued our annual Day at the Park, inviting contractors to join us for Seattle Mariner's baseball game on June 7th, 2006. The Mariners won the game at the bottom of the 11th inning, with a score of 10 to 9.



Melissa Acton, Principal and her soon to be Mother-in- Law, Janet, enjoying the game.



Andrea Estes, Recruiting Lead, and Steve Attwood, Chameleon Contractor, are having a humorous time at the game.



Rich Whitsell, Chameleon Contractor, and his family are enjoying the game.



Adrienne Hickey, former Chameleon Contractor recently placed as a permanent employee with one of Chameleon's clients, and her kiddos have a great time at the game.

We also enjoyed our quarterly contractor luncheon this October at the Old Spaghetti Factory.



From left to right. Andrew Kipper, Ryan Luckenbaugh, Eric Heilman, Melissa Acton, Kyle Richey, Andea Estes, Neil Honomichl, Nick Honomichl, Phil Maddocks, Pam Hogan, Ursula Williams, Pat Copeland, Michael Brandstetter and Wallace Njoroge.

The Holiday Season With Chameleon

The Giving Tree

Chameleon Technologies takes pride in helping out organizations such as the Make-A-Wish Foundation and Friends of Youth. This year we are setting up a "giving tree" in our office to sponsor Friends of Youth, a group of special people that provide an array of services for young people and their families in the areas of prevention, shelter care and housing, and treatment across King & Snohomish Counties in Washington State.

For those who wish to help: Please stop by our office (business hours are from 8 a.m. to 6 p.m.) and select a tag off the tree. You'll purchase a gift for that child and return it to our office with the tag and a tax receipt (if you choose) to the top of the gift. Don't delay! All gifts must be turned into the office for special deliver by Monday, December 18, 2006.

The kids and young families in the Friends of Youth programs greatly appreciate your generosity, as do we!

Chameleon's Upcoming Holiday Luncheon

This year's festivities will take place at the decadent BluWater Bistro, on Thursday, December 21st from 11:30am until 1:00pm. The restaurant is conveniently located on Lake Union, just off I-5 on Fairview. Can't wait to get everybody together for some good ol' fashioned holiday cheer! All Chameleon Contractors should definitely **SAVE THE DATE**. We will have great food, awards, games, gifts and much more. You should each receive your formal invitation very soon.

Chameleon Dines in Style at El Gaucho

To celebrate our Six-Year Anniversary and the hard work of our Chameleon staff in helping us to be recognized as one of Washington's Fastest Growing Privately-Held Companies, we were escorted in an Excursion Limousine to Seattle's famous steakhouse, El Gaucho, for a spectacular dinner.



From left to right: Ryan Luckenbaugh, Mike Luckenbaugh, Melissa Acton, Kyle Richey, Andrea Estes, Keri Richards, Andrew Kipper and Eric Heilman.

Referral Program And Annual Grand Prize For The Most Referrals

Chameleon is always seeking talented professionals! We offer up to a \$1,000 bonus for referrals that are placed through us at one of our clients. Please let your recruiter know if you have anyone you would like to refer. We would be more than happy to contact them and setup a time to meet!

THE GRAND PRIZE, as mentioned all year, will be awarded to the person who refers the most people to Chameleon that get placed in a position at one of our client sites throughout the year of 2006. This individual will win an Overnight Getaway at Willows Lodge in Woodinville. This delightful package includes:

- Luxurious accommodations.
- Arrival wine tasting in the Fireside Lounge.
- Wine tasting at two Woodinville wineries.
- Expanded European Continental Breakfast at the Barking Frog.

The winner will be announced on Monday, January 15th, 2007, so get those referrals!