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July 16, 2019

VIA EDGAR AND ELECTRONIC MAIL

Kathleen Krebs, Esq.
Special Counsel
United States Securities and Exchange Commission
Division of Corporation Finance
Office of Telecommunications
Mail Stop 3720
100 F Street, N.E.
Washington, D.C. 20549

Re: PowerFleet, Inc.
Amendment No. 1 to Registration Statement on Form S-4
Filed on July 1, 2019
File No. 333-231725

Dear Ms. Krebs:

We acknowledge receipt of the letter of comment dated July 11, 2019 (the "Comment Letter") from the staff (the "Staff") of the Securities and Exchange Commission (the "Commission") with regard to the above-referenced matter. We have reviewed the Comment Letter with I.D. Systems, Inc. ("I.D. Systems") and PowerFleet, Inc. ("Parent") and provide the following responses on their behalf. Unless otherwise indicated, the page references below are to the attached changed pages to the Registration Statement on Form S-4 (the "Form S-4"). Capitalized terms used herein and not separately defined have the meanings given to them in the Form S-4. To facilitate the Staff's review, we have reproduced the text of the Staff's comments in italics below, and our responses appear immediately below each comment.

Amendment No. 1 to Form S-4

What are the Agreements and the Transactions?, page 2

1. *Please revise at page 3, and in the related disclosures at pages 86 and 87, to indicate why Nasdaq requested modifications to the terms of the Series A Preferred Stock in connection with the listing of Parent Common Stock on Nasdaq, which led to the Second Amendment to the Investment Agreement.*

The applicable disclosure in the Form S-4 has been revised in response to the Staff's comment. Please see pages 3 and 87 of the Form S-4.

The Parent Charter will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions..., page 47

2. We note that, in response to prior comment 18, you revised the exclusive forum provision in the amended and restated certificate of incorporation of PowerFleet to state that the provision will not apply to claims arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Please revise your risk factor regarding the exclusive forum provision so that this is clear. In particular, we note the following disclosure: "Accordingly, the exclusive forum provision will not apply to actions arising under federal securities law or any other claim for which there is exclusive federal jurisdiction. The exclusive forum provision may be found unenforceable or inapplicable by a court in an action arising under federal securities law in which there is concurrent state and federal jurisdiction."

The applicable disclosure in the Form S-4 has been revised in response to the Staff's comment. Please see pages 47, 64 and 172 of the Form S-4.

Comparative Per Share Information, page 58

3. The Pointer equivalent pro forma earnings/(loss) per share data should be calculated by multiplying the pro forma earnings/(loss) per share by the exchange ratio. Please revise accordingly.

The applicable disclosure in the Form S-4 has been revised to reflect the calculation of the Pointer equivalent pro forma earnings/(loss) per share data as the pro forma earnings/(loss) per share multiplied by the exchange ratio. Please see page 59 of the Form S-4.

4. We note your response to comment 15. Clarify in footnote (4) how the equivalent per share amounts were calculated. Also, please remove the second sentence of this footnote or explain to us how potential shares should have an impact on the equivalent per share disclosures.

The applicable disclosure in the Form S-4 has been revised to remove the second sentence in footnote (4) and to clarify the equivalent per share amounts. Please see page 59 of the Form S-4.

Tax Consequences to U.S. Holders and Non-U.S. Holders of I.D. Systems Common Stock, page 122

5. Please revise to indicate that it is the opinion of named tax counsel that the I.D. Systems Merger, the Pointer Merger and the Preferred Investment, taken together, will be treated as a transaction described in Section 351 of the Code and that the I.D. Systems Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code. Remove language here and on pages 14 and 24 that it is "intended" that the transactions so qualify or that you are assuming this tax treatment. Please refer to Staff Legal Bulletin 19, Legality and Tax Opinions in Registered Offerings, Section III.C.3 addressing assumptions within tax opinions. Lastly, clarify that the resulting material tax consequences to I.D. Systems shareholders that you describe constitute counsel's opinion. Refer to Staff Legal Bulletin 19, Section III.B.2 addressing short-form tax opinions.

The applicable disclosure in the Form S-4 has been revised in response to the Staff's comment. Please see pages 14, 24, 121 and 122 of the Form S-4.

* * * * *

The Staff is invited to contact the undersigned with any comments or questions it may have. We would appreciate your prompt advice as to whether the Staff has any further comments.

Sincerely,

/s/ Michael R. Neidell
Michael R. Neidell

cc: Ned Mavrommatis

Also on March 13, 2019, and in connection with the Merger Agreement, I.D. Systems, Parent, I.D. Systems Merger Sub and the Investors entered into the Investment Agreement, pursuant to which I.D. Systems will reorganize into a new holding company structure by merging I.D. Systems Merger Sub with and into I.D. Systems, with I.D. Systems surviving as a wholly-owned subsidiary of Parent and pursuant to which Parent will issue and sell to the Investors in a private placement 50,000 shares of Parent's newly created Series A Preferred Stock for an aggregate purchase price of $50,000,000 to finance a portion of the Cash Consideration payable in the Pointer Merger. In the I.D. Systems Merger, each outstanding share of I.D. Systems Common Stock will be exchanged for one share of Parent Common Stock.

On May 16, 2019, I.D. Systems, Parent, I.D. Systems Merger Sub and the Investors entered into Amendment No. 1 to the Investment Agreement (the "Investment Agreement First Amendment") to, among other things, revise the form of the Parent Charter based on feedback received from the Israel Securities Authority (the "ISA"). Pursuant to the Investment Agreement First Amendment, the Parent Charter was revised to provide that (i) except as required by applicable law or as otherwise specifically set forth in the Parent Charter, the holders of Series A Preferred Stock will not be entitled to vote on any matter presented to the stockholders of Parent unless and until any holder of Series A Preferred Stock provides written notice to Parent electing, on behalf of all holders of Series A Preferred Stock, to activate their voting rights and thereby render the Series A Preferred Stock voting capital stock of Parent, and (ii) after the delivery of any such notice, all holders of Series A Preferred Stock will be and continue to be entitled to vote their shares of Series A Preferred Stock unless and until such time as the holders of at least a majority of the outstanding shares of Series A Preferred Stock provide further written notice to Parent that they elect to deactivate their voting rights. In addition, the Parent Charter was amended to fix the initial conversion price of the Series A Preferred Stock at $7.319 (based on the 30-day volume weighted average trading price of I.D. Systems Common Stock prior to the signing of the Investment Agreement First Amendment), in lieu of having the conversion price based on the volume weighted average trading price of I.D. Systems Common Stock during a defined period prior to either the signing or the closing of the Transactions.

On June 27, 2019, following discussions with representatives of the Nasdaq Stock Market regarding the listing of the Parent Common Stock on the Nasdaq Global Market, I.D. Systems, Parent, I.D. Systems Merger Sub and the Investors entered into Amendment No. 2 to the Investment Agreement (the "Investment Agreement Second Amendment"). Pursuant to the Investment Agreement Second Amendment, the Parent Charter was revised to provide, among other things, that (i) to the extent voting rights of the Series A Preferred Stock have been activated, any holder of Series A Preferred Stock shall not be entitled to cast votes for the number of shares of Parent Common Stock issuable upon conversion of shares of Series A Preferred Stock held by such holder that exceeds the quotient of (A) the aggregate Series A Issue Price for such shares of Series A Preferred Stock divided by (B) the closing bid price of the I.D. Systems Common Stock on the last trading day immediately prior to the consummation date of the Transactions (subject to adjustment for stock splits, stock dividends, combinations, reclassifications and similar events, as applicable), and (ii) in the event that the holders of the Series A Preferred Stock are entitled to designate one non-voting observer to attend meetings of the board of directors and committees of Parent, the observer may be excluded from executive sessions of any committee at the discretion of such committee. The revisions were made to ensure compliance with the Voting Rights Policy of the Nasdaq Stock Market and related staff interpretations with respect to board observer rights.

As a result of the Transactions, I.D. Systems and Pointer Holdco will each become direct, wholly-owned subsidiaries of Parent, and Pointer will become an indirect, wholly-owned subsidiary of Parent. The stockholders of I.D. Systems and shareholders of Pointer will become stockholders of Parent. Immediately prior to the effective time of the I.D. Systems Merger, Parent's existing certificate of incorporation will be amended and restated in the form included as Annex C to this joint proxy statement/prospectus to provide for, among other things, the designations, powers, preferences and rights of the Series A Preferred Stock.

See "I.D. Systems Proposal 1: To Adopt the Investment Agreement and Approve the I.D. Systems Merger and Pointer Proposal 1: To Approve the Merger Agreement and Related Matters—General" beginning on page 71 of this joint proxy statement/prospectus and "I.D. Systems Proposal 1: To Adopt the Investment Agreement and Approve the I.D. Systems Merger and Pointer Proposal 1: To Approve the Merger Agreement and Related Matters—Company Structure - Diagrams" beginning on page 71 of this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: This joint proxy statement/prospectus serves as the proxy statement through which I.D. Systems and Pointer will solicit proxies to obtain the necessary stockholder and shareholder approvals for the Transactions. It also serves as the prospectus by which Parent will issue the Acquisition Shares and the shares of Parent Common Stock issuable in the I.D. Systems Merger pursuant to the Investment Agreement. I.D. Systems is holding a special meeting of stockholders (the "I.D. Systems special meeting") in order to obtain the I.D. Systems Specified Stockholder Approval necessary to (i) adopt the Investment Agreement and approve the I.D. Systems Merger, (ii) approve the issuance of the Investment Shares and the shares of Parent Common Stock issuable upon conversion of the Investment Shares, (iii) approve the issuance of the Acquisition Shares, and (iv) approve the authorized shares of Parent capital stock as stated in the Parent Charter as well as the other proposals related to the Transactions described herein. I.D. Systems stockholders will also be asked to approve the adjournment of the I.D. Systems special meeting (if necessary or appropriate to solicit additional proxies if there are not sufficient votes to obtain the I.D. Systems Specified Stockholder Approval) and to approve, on an advisory (non-binding) basis, the compensation arrangements for certain of I.D. Systems' named executive officers in connection with the Transactions and certain other proposals related to the Parent Charter as described herein. Pointer is holding an extraordinary general meeting of shareholders (the "Pointer extraordinary general meeting"), in order to obtain the shareholder approval necessary to approve the Pointer Merger and to adopt the Merger Agreement and to approve, as part of the approval of the Pointer Merger and the Merger Agreement, the purchase of a run-off insurance policy to cover certain potential liabilities of Pointer's directors and officers in connection with and as permitted under the Merger Agreement. Pointer shareholders will also be asked to approve special bonuses to be granted to certain officers of Pointer, which will be subject to the occurrence of the closing of the Merger.

You are receiving this joint proxy statement/prospectus because you were a holder of record of I.D. Systems Common Stock and/or Pointer Ordinary Shares as of the close of business on the record date for the I.D. Systems special meeting or the Pointer extraordinary general meeting, as applicable, and are therefore entitled to vote at the I.D. Systems special meeting and/or Pointer extraordinary general meeting.

Q: What are the U.S. federal income tax consequences of the Transactions?

A: For U.S. federal income tax purposes, it is the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP, counsel to I.D. Systems, that, with respect solely to the holders of I.D. Systems Common Stock, (i) the I.D. Systems Merger qualifies as a "reorganization" within the meaning of Section 368 (a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and (ii) the I.D. Systems Merger, taken together with the Pointer Merger and the Preferred Investment, qualifies as a transaction described in Section 351 of the Code. Based on the foregoing, it is the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP that, with respect solely to the holders of I.D. Systems Common Stock, a U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences of the Transactions" beginning on page 120 of this joint proxy statement/prospectus) of I.D. Systems Common Stock will not recognize gain or loss for U.S. federal income tax purposes as a result of the exchange of its I.D. Systems Common Stock for Parent Common Stock in the I.D. Systems Merger.

For U.S. federal income tax purposes, with respect to the holders of Pointer Ordinary Shares, the Pointer Merger, taken together with the I.D. Systems Merger and the Preferred Investment, is intended to qualify as a transaction described in Section 351 of the Code. In such case, a U.S. holder of Pointer Ordinary Shares will recognize gain, but not loss, for U.S. federal income tax purposes as a result of the exchange of its Pointer Ordinary Shares for Parent Common Stock and cash consideration in the Pointer Merger in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Parent Common Stock and cash received by such U.S. holder exceeds such U.S. holder's tax basis in its Pointer Ordinary Shares surrendered in exchange therefor, and (2) the amount of cash received by such U.S. holder in the Pointer Merger.

For a more complete discussion of the U.S. federal income tax consequences of the Transactions, including tax consequences relating to tax basis and holding periods, see "Material U.S. Federal Income Tax Consequences of the Transactions" beginning on page 120 of this joint proxy statement/prospectus. Tax matters relating to the Transactions can be complicated, and the tax consequences of the Transactions to a particular holder will depend on such holder's particular facts and circumstances. All holders should consult with their own tax advisors to determine the specific U.S. federal, state or local or foreign income or other tax consequences of the transactions to them.

Q: What are the Israeli tax consequences of the Transactions?

A: In general, under the Israeli Income Tax Ordinance (New Version), 5721-1961 and the rules and regulations promulgated thereunder, (the "Ordinance"), the disposition of shares of an Israeli resident company is deemed to be a sale of capital assets, unless such shares are held for the purpose of trading.

In respect to Israeli resident individuals, the tax rate applicable to the real capital gain derived after January 1, 2012 is generally 25%, or 30% in case such shareholder is considered a "Significant Shareholder" at any time during the 12-month period preceding such disposition. (i.e., such shareholder holds directly or indirectly, alone or together with another person who collaborates with such person on a permanent basis, at least 10% of any means of control in the company). The tax rate applicable to the real capital gain derived before January 1, 2003 is subject to marginal tax rates (up to 47%). Capital gains derived from January 1, 2003 until January 1, 2012 is subject to a 20% tax rate (for shareholders, which are not Significant Shareholders) or a 25% tax rate (for Significant Shareholders).

However, in case the individual shareholder claims a deduction for financing expenses in connection with such shares, the capital gain is subject to 30% tax rate.

The foregoing tax rates will not apply to: (a) individual shareholders dealing in securities or (b) individual shareholders to whom such income is otherwise taxable as ordinary business income (such individual shareholders are taxed at their marginal tax rates applicable to business income).

Additionally, individuals who are subject to tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at the rate of 3% on annual taxable income from all source of income in Israel exceeding NIS 649,560 in 2019.

Companies are subject to tax on their real capital gain at the rate of 23% in 2019 (equal to the ordinary corporate tax rate).

Shareholders of a company whose shares are traded on an authorized stock exchange, such as Pointer, who are non-Israeli residents (individuals or corporations), should generally be exempt from Israeli capital gains tax, provided that certain conditions are met (including that the capital gain is not derived through a permanent establishment of the non-Israeli resident shareholder in Israel). However, a non-Israeli corporation will not be entitled to the foregoing exemption if more than 25% of its means of control are held, directly or indirectly, by Israeli residents, or Israeli residents are entitled to 25% or more of the revenues or profits of the corporation, directly or indirectly. In addition, such exemption would not be available to a person whose gains from selling or otherwise disposing of the securities are deemed to be business income.

Certain Governance Matters Following the Transactions (Page 119)

Following the consummation of the Transactions, Parent's board of directors will consist of seven members, comprised of two representatives from the Investors, Anders Bjork and John Hunt, and Chris Wolfe, Michael Brodsky, Michael Casey, Charles Frumberg, and David Mahlab. The executive officers of Parent will be: Chris Wolfe - Chief Executive Officer, David Mahlab - Chief Executive Officer International, Ned Mavrommatis - Chief Financial Officer and Yaniv Dorani – Deputy to Chief Executive Officer International.

Certain Tax Consequences of the Transactions (Page 120)

For U.S. federal income tax purposes, it is the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP, counsel to I.D. Systems, that, with respect solely to the holders of I.D. Systems Common Stock, (1) the I.D. Systems Merger qualifies as a "reorganization" within the meaning of Section 368(a) of the Code, and (2) the I.D. Systems Merger, taken together with the Pointer Merger and the Preferred Investment, qualifies as a transaction described in Section 351 of the Code. Based on the foregoing, it is the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP that, with respect solely to the holders of I.D. Systems Common Stock, a U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences of the Transactions" beginning on page 120 of this joint proxy statement/prospectus) of I.D. Systems Common Stock will not recognize gain or loss for U.S. federal income tax purposes as a result of the exchange of its I.D. Systems Common Stock for Parent Common Stock in the I.D. Systems Merger.

For U.S. federal income tax purposes, with respect to the holders of Pointer Ordinary Shares, the Pointer Merger, taken together with the I.D. Systems Merger and the Preferred Investment, is intended to qualify as a transaction described in Section 351 of the Code. In such case, a U.S. holder of Pointer Ordinary Shares will recognize gain, but not loss, for U.S. federal income tax purposes as a result of the exchange of its Pointer Ordinary Shares for Parent Common Stock and cash consideration in the Pointer Merger in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Parent Common Stock and cash received by such U.S. holder exceeds such U.S. holder's tax basis in its Pointer Ordinary Shares surrendered in exchange therefor, and (2) the amount of cash received by such U.S. holder in the Pointer Merger.

For a more complete discussion of the U.S. federal income tax consequences of the Transactions, including tax consequences relating to tax basis and holding periods, see "Material U.S. Federal Income Tax Consequences of the Transactions" beginning on page 120 of this joint proxy statement/prospectus. Tax matters relating to the Transactions can be complicated, and the tax consequences of the Transactions to a particular holder will depend on such holder's particular facts and circumstances. All holders should consult with their own tax advisors to determine the specific U.S. federal, state or local or foreign income or other tax consequences of the Transactions to them.

No Appraisal Rights

Appraisal rights are not available to holders of I.D. Systems Common Stock or holders of Pointer Ordinary Shares in connection with the Transactions.

Listing of Parent Common Stock on Stock Exchange (Page 182)

Parent Common Stock is currently not traded or quoted on a stock exchange or quotation system. Parent expects that, as of the effective time of the Transactions, Parent Common Stock will be listed for trading under the symbol "PWFL" on Nasdaq and the TASE. However, if a holder of Series A Preferred Stock activates voting rights for the Series A Preferred Stock at any time, Parent will be required to delist the Parent Common Stock from the TASE upon three months' notice. See the risk factor entitled "While the Parent Common Stock is expected to be listed on the TASE, there is no guarantee as to how long such listing will be maintained" beginning on page 35 of this joint proxy statement/prospectus. Following the consummation of the Transactions, shares of I.D. Systems Common Stock will be delisted from Nasdaq and deregistered under the Exchange Act and Pointer Ordinary Shares will be delisted from TASE and the Nasdaq Capital Market and deregistered under the Exchange Act.

Conditions to the Completion of the Transactions

Merger Agreement (Page 139)

The obligations of each of Parent, Pointer Holdco, Pointer Merger Sub, and Pointer to complete the Pointer Merger are subject to the satisfaction (or waiver to the extent permissible under the Merger Agreement or applicable law) on or prior to the Pointer Merger Effective Time of various conditions, including the following:

- Pointer having obtained the Pointer Shareholder Approval;
- I.D. Systems obtaining the I.D. Systems Specified Stockholder Approval;

Any of these events may make it more difficult for Parent to sell equity or equity-related securities, dilute your ownership interest in Parent and have an adverse impact on the price of Parent Common Stock.

The Transactions may not be accretive, and may be dilutive, to the combined company's earnings per share, which may negatively affect the market price of shares of Parent Common Stock.

I.D. Systems and Pointer currently believe the Transactions will result in a number of benefits, including cost savings, operating efficiencies, and stronger demand for their respective products and services, and that the Transactions will be accretive to Parent's earnings. This belief is based, in part, on preliminary current estimates that may materially change. In addition, future events and conditions, including adverse changes in market conditions, additional transaction and integration-related costs and other factors such as the failure to realize some or all of the anticipated benefits of the Transactions, could decrease or delay the accretion that is currently anticipated or could result in dilution. Any dilution of, or decrease in or delay of any accretion to, the combined company's earnings per share could cause the price of shares of Parent Common Stock to decline or grow at a reduced rate.

The Parent Charter will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between Parent and its stockholders, which could limit Parent stockholders' ability to obtain a judicial forum viewed by the stockholders as more favorable for disputes with Parent or its directors, officers or employees, and the enforceability of the exclusive forum provision may be subject to uncertainty.

Article SIXTEENTH of the Parent Charter provides, subject to certain exceptions enumerated in Article SIXTEENTH, that, unless Parent consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder to bring (i) any derivative action brought on behalf of Parent, (ii) any action asserting a claim of breach of fiduciary duty owed by any current or former director, officer or other employee or stockholder of Parent, (iii) any action asserting a claim arising pursuant to the General Corporation Law of Delaware (the "DGCL") or the Parent Charter or the Parent Bylaws or as to which the DGCL confers jurisdiction on such court or (iv) any action asserting a claim governed by the internal affairs doctrine, except for, in each of the aforementioned actions, among other things, any claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. Accordingly, the exclusive forum provision will not apply to claims arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Article SIXTEENTH provides that any person or entity who acquires an interest in the capital stock of Parent will be deemed to have notice of and consented to the provisions of Article SIXTEENTH. Stockholders will not be deemed to have waived Parent's compliance with the federal securities laws and the rules and regulations thereunder. Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, this exclusive forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Further, in the event a court finds the exclusive forum provision contained in the Parent Charter to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

The Parent Charter will contain a provision renouncing Parent's interest and expectancy in certain corporate opportunities which may prevent Parent from receiving the benefit of certain corporate opportunities.

The "corporate opportunity" doctrine provides that corporate fiduciaries, as part of their duty of loyalty to the corporation and its stockholders, may not take for themselves an opportunity that in fairness should belong to the corporation. As such, a corporate fiduciary may generally not pursue a business opportunity which the corporation is financially able to undertake and which, by its nature, falls into the line of the corporation's business and is of practical advantage to it, or in which the corporation has an actual or expectant interest, unless the opportunity is disclosed to the corporation and the corporation determines that it is not going to pursue such opportunity. Section 122(17) of the DGCL, however, expressly permits a Delaware corporation to renounce in its certificate of incorporation any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or its officers, directors or stockholders.

Article TWELFTH of the Parent Charter contains a provision that, to the maximum extent permitted under the law of the State of Delaware, Parent renounces any interest or expectancy of Parent in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to the Series A Directors, any holder of Series A Preferred Stock (or Parent Common Stock issuable upon the conversion of Series A Preferred Stock) or any partner, manager, member, director, officer, stockholder, employee or agent or affiliate of any such holder. The board of directors of I.D. Systems believes that this provision, which is intended to provide that certain business opportunities are not subject to the "corporate opportunity" doctrine, is appropriate, as the Investors, who will be the initial holders of the Series A Preferred Stock, and their affiliates invest in a wide array of companies, including companies with businesses similar to Parent, and without such assurances, the Investors would be unwilling or unable to enter into the Investment Agreement.

As a result of this provision, Parent may be not be offered certain corporate opportunities which could be beneficial to our company and our stockholders. While we are unable at this time to predict how this provision may adversely impact Parent's stockholders, it is possible that Parent would not be offered the opportunity to participate in a future transaction which might have resulted in a financial benefit to Parent, which could, in turn, result in a material adverse effect on its business, financial condition, results of operations, or prospects.

Provisions of Delaware law or the Parent Charter could delay or prevent an acquisition of Parent, even if the acquisition would be beneficial to its stockholders, and could make it more difficult for stockholders to change Parent's management.

Assuming the approval of the Transactions and the I.D. Systems Charter Proposals, the Parent Charter will contain provisions that may discourage an unsolicited takeover proposal that stockholders may consider to be in their best interests. Parent is also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include: the right of the holders of Parent's Series A Preferred Stock to appoint up to two directors; the absence of cumulative voting in the election of directors; the ability of the Parent board of directors to issue up to 50,000 shares of currently undesignated and unissued preferred stock without prior stockholder approval; the consent rights of the holders of Series A Preferred Stock to certain corporate actions and transactions; advance notice requirements for stockholder proposals or nominations of directors; limitations on the ability of stockholders to call special meetings or act by written consent; preemptive rights of the holders of the Series A Preferred Stock to participate in future securities offerings of Parent; the requirement that certain amendments to the Parent Charter be approved by 75% of the voting power of the outstanding shares of Parent capital stock; and the ability of the Parent board of directors to amend the bylaws of Parent without stockholder approval. For more information, see "Description of Parent Capital Stock–Anti-Takeover Effect of Delaware Law and Certain Parent Charter Provisions."

The pro forma book value per share information was computed as if the Merger and the related financing transactions had been completed on March 31, 2019. The pro forma earnings from continuing operations information for the three months ended March 31, 2019 and for the year ended December 31, 2018 were computed as if the Merger and the related financing transactions had been completed at the beginning of the respective period.

The historical book value per share is computed by dividing total common shareholders' equity by the number of shares of common stock outstanding at the end of the period. The pro forma combined book value per share is computed by dividing total pro forma common shareholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The pro forma earnings (loss) from continuing operations per share of the combined company is computed by dividing the pro forma income (loss) from continuing operations available to the combined company's common shareholders by the pro forma weighted-average number of shares outstanding over the period.

	As of/For the Three Months Ended March 31, 2019	For the Year Ended December 31, 2018
I.D. Systems Historical per Common Share Data:		
Net Loss – basic	$ (0.12)	$ (0.34)
Net Loss – diluted	(0.12)	(0.34)
Cash dividends declared	-	-
Weighted average common shares outstanding—Basic and Diluted	17,621	17,233
Book Value	1.63	1.74
Pointer per Common Share Data:		
Net Earnings – basic	$ 0.07	$ 0.85
Net Earnings – diluted	0.07	0.84
Weighted average common shares outstanding—Basic	8,140	8,100
Weighted average common shares outstanding—Diluted	8,326	8,280
Cash dividends declared	-	-
Book Value	8.40	8.13
Pointer Equivalent Pro Forma Per Share Data[4]:		
Net Earnings/(Loss) – basic	$ (0.11)	$ (0.37)
Net Earnings/(Loss) – diluted	(0.11)	(0.37)
Cash dividends declared	-	-
Book Value	$ 6.25	N/A
Unaudited Pro Forma Combined per Parent Common Share Data:		
Net Earnings/(Loss) – basic[3]	$ (0.08)	$ (0.29)
Net Earnings/(Loss) – diluted[3]	(0.08)	(0.29)
Weighted average common shares outstanding—Basic and Diluted	29,127	29,127
Cash dividends declared[2]	N/A	N/A
Book Value[1]	4.91	N/A

(1) Pro forma combined book value per share as of December 31, 2018 is not applicable as the estimated pro forma adjustments were calculated as of March 31, 2019.

(2) Pro forma combined dividends per share data is not provided due to the fact that the dividend policy for the combined company will be determined by the Board following completion of the Merger.

(3) See Note 5 Earnings Per Share to the "Unaudited Pro Forma Combined Financial Information" on page 58.

(4) The equivalent pro forma basic per share data for Pointer are derived by multiplying the expected exchange ratio (1.272) in the Merger by the unaudited pro forma combined per share data.

INFORMATION ABOUT THE COMPANIES

I.D. Systems

I.D. Systems was incorporated in the State of Delaware in 1993. I.D. Systems, together with its subsidiaries, develops, markets and sells wireless machine-to-machine solutions for managing and securing high-value enterprise assets, including industrial vehicles such as forklifts and airport ground support equipment, rental vehicles, transportation assets such as dry van trailers, refrigerated trailers, railcars and containers, tractors and trucks. I.D. Systems' patented systems utilize radio frequency identification (RFID), Wi-Fi, Bluetooth, satellite or cellular communications, and sensor technology and software to address the needs of organizations to control, track, monitor and analyze their assets. I.D. Systems' solutions enable customers to achieve tangible economic benefits by making timely, informed decisions that increase the safety, security, revenue, productivity and efficiency of their operations.

The principal executive offices of I.D. Systems are located at 123 Tice Boulevard, Woodcliff Lake, New Jersey 07677.

Pointer

Pointer was formed under the laws of the state of Israel in 1991. Pointer is a leading provider of innovative telematics and mobile IoT solutions to the automotive logistics (cargo, assets and containers) and insurance industries. Pointer's cloud-based SaaS platform, which has more than 276,000 monthly subscriber units, extracts and captures data from an organization's mission critical mobility vehicles and assets, including drivers, routes, points-of-interest, logistics network, vehicles and trailers, containers and cargo and additional statuses from the monitored asset. Pointer's platform then analyzes and converts this data into actionable intelligence optimizing customers' assets and improving profitability.

Proposal 5 is conditioned on the approval of each of Proposals 1, 2, 3 and 4, but is not conditioned on the approval of any of the other proposals. If any of Proposals 1, 2, 3 or 4 are not approved, Proposal 5 will be of no force or effect, even if approved by the I.D. Systems stockholders.

The board of directors of I.D. Systems unanimously recommends that you vote "**FOR**" the approval of Proposal 5.

Proposal 6: To Approve Certain Parent Charter Provisions Providing that Certain Transactions Are not "Corporate Opportunities"

Pursuant to SEC guidance, I.D. Systems stockholders are being asked to consider and vote separately upon a proposal to approve Article TWELFTH of the Parent Charter, which provides that, to the maximum extent permitted from time to time under the laws of the State of Delaware, Parent renounces any interest or expectancy of Parent in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to the Series A Directors, any holder of Series A Preferred Stock (or Parent Common Stock issuable upon conversion thereof), or any partner, manager, member, director, officer, stockholder, employee, agent or affiliate of any such holder.

The approval of Proposal 6 requires the affirmative vote of a majority of the outstanding shares of I.D. Systems Common Stock entitled to vote thereon. Abstentions and broker non-votes will have the effect of a vote "AGAINST" Proposal 6.

Proposal 6 is conditioned on the approval of each of Proposals 1, 2, 3 and 4, but is not conditioned on the approval of any of the other proposals. If any of Proposals 1, 2, 3 or 4 are not approved, Proposal 6 will be of no force or effect, even if approved by the I.D. Systems stockholders.

The board of directors of I.D. Systems unanimously recommends that you vote "**FOR**" the approval of Proposal 6.

Proposal 7: To Approve Certain Parent Charter Provisions Designating the Chancery Court of the State of Delaware as the Exclusive Forum for Certain Legal Actions

Pursuant to SEC guidance, I.D. Systems stockholders are being asked to consider and vote separately upon a proposal to approve Article SIXTEENTH of the Parent Charter, which provides, subject to certain exceptions, that, unless Parent consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder to bring (i) any derivative action brought on behalf of Parent, (ii) any action asserting a claim of breach of fiduciary duty owed by any current or former director, officer or other employee or stockholder of Parent, (iii) any action asserting a claim arising pursuant to the DGCL or the Parent Charter or the Parent Bylaws or as to which the DGCL confers jurisdiction on such court or (iv) any action asserting a claim governed by the internal affairs doctrine, except for, in each of the aforementioned actions, among other things, any claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. Accordingly, the exclusive forum provision will not apply to claims arising under the Securities Act, the Exchange Act or other federal securities law for which there is exclusive federal jurisdiction or concurrent federal and state jurisdiction. Article SIXTEENTH provides that any person or entity who acquires an interest in the capital stock of Parent will be deemed to have notice of and consented to the provisions of Article SIXTEENTH. Stockholders will not be deemed to have waived Parent's compliance with the federal securities laws and the rules and regulations thereunder.

The approval of Proposal 7 requires the affirmative vote of a majority of the outstanding shares of I.D. Systems Common Stock entitled to vote thereon. Abstentions and broker non-votes will have the effect of a vote "AGAINST" Proposal 7.

Proposal 7 is conditioned on the approval of each of Proposals 1, 2, 3 and 4, but is not conditioned on the approval of any of the other proposals. If any of Proposals 1, 2, 3 or 4 are not approved, Proposal 7 will be of no force or effect, even if approved by the I.D. Systems stockholders.

The board of directors of I.D. Systems unanimously recommends that you vote "**FOR**" the approval of Proposal 7.

Also on May 7, 2019, representatives of Goldfarb, Meitar and ZAG/S&W had a conversation with representatives of the ISA regarding the No-Action Request. Based on feedback received from the ISA representatives, on May 7-8, 2019, the parties and their respective counsel discussed potential revisions to the terms of the Series A Preferred Stock in order to secure the dual-listing of the Parent Common Stock and thereby satisfy the applicable condition to the Transactions, and determined to amend the terms of the Series A Preferred Stock to provide that the Series A Preferred Stock would be non-voting, subject to the right of the Investors to activate voting rights for the Series A Preferred Stock upon written notice to Parent at any time after closing. On May 12, 2019, a representative of the ISA advised a representative of Goldfarb that, in the view of the ISA staff, the proposed amendment would enable the dual-listing of the Series A Preferred Stock on the TASE, subject to the approval of the Prospectus Committee of the ISA.

During the week of May 12, 2019, representatives of ABRY and I.D. Systems, with the assistance of Canaccord, discussed fixing the conversion price of the Series A Preferred Stock at that time, rather than having the conversion price based on the volume weighted average trading price of the I.D. Systems Common Stock during a defined period prior to either the signing or the closing of the Transactions. The parties concurred that setting the conversion price would have the benefit of certainty and would avoid potentially triggering the conversion price floor mechanism in the Parent Charter that would have resulted in an increase in the dividend rate on the Series A Preferred Stock. After discussion, on May 15, 2019, ABRY and I.D. Systems agreed upon a conversion price of $7.319 (a 30% premium to the volume weighted average trading price of the I.D. Systems Common Stock over the prior 30 day-period).

On May 14, 2019, Lowenstein delivered to Olshan a draft of Amendment No. 1 to the Investment Agreement and a revised form of Parent Charter to reflect the amended terms of the Series A Preferred Stock. The amended terms related to the voting rights and conversion price of the Series A Preferred Stock. Olshan, Goldfarb and Meitar provided comments to these documents on May 15, 2019, and the documents were finalized by e-mail the next day.

On May 16, 2019, following email communications among the members of the I.D. Systems board of directors with respect to the terms of Amendment No. 1 to the Investment Agreement and revised form of Parent Charter, which email communications included the final versions of these documents, the I.D. Systems board of directors, acting by unanimous written consent, (i) determined that the terms and provisions of the Investment Agreement, as amended, and the transactions contemplated thereby are fair to, advisable and in the best interests of I.D. Systems and its stockholders, (ii) authorized and approved the amendment to the Investment Agreement (including the revised form of Parent Charter as an exhibit) and the transactions contemplated by the Investment Agreement, as amended, (iii) recommended to the stockholders of I.D. Systems that such holders adopt the Investment Agreement, as amended, and (iv) directed that the Investment Agreement, as amended, be submitted to the holders of I.D. Systems Common Stock for consideration.

Later that day, I.D. Systems, Parent, I.D. Systems Merger Sub and the Investors executed Amendment No. 1 to the Investment Agreement (which included the revised form of Parent Charter as an exhibit).

On May 23, 2019, the ISA approved in principle the dual-listing of the Parent Common Stock on the TASE.

On June 12, 2019, representatives of Olshan and Lowenstein participated in a conference call with representatives of Nasdaq and had a preliminary discussion regarding the listing application process for Parent.

On June 13, 2019, Hapoalim and I.D. Systems executed an extension letter to the Debt Commitment Letter extending the expiration date of the Debt Commitment Letter to August 12, 2019. The effectiveness of the extension was subject to payment of certain fees to Hapoalim. No additional changes or amendments to the Debt Commitment Letter were made.

On June 19, 2019, a representative of Nasdaq spoke by telephone with a representative of Olshan regarding modifications to the terms of the Series A Preferred Stock in connection with the listing of the Parent Common Stock on Nasdaq, namely that (i) solely for purposes of determining the number of votes per share of the Series A Preferred Stock, the conversion price of the Series A Preferred Stock could not be less than the closing bid price of the I.D. Systems Common Stock on the last trading day immediately prior to the consummation date of the Transactions (subject to adjustment for stock splits, stock dividends, combinations, reclassifications and similar events, as applicable)) and (ii) in the event that the holders of the Series A Preferred Stock are entitled to designate one non-voting observer to attend meetings of the board of directors and committees of Parent, the observer could be excluded from executive sessions of any committee at the discretion of the applicable committee. The proposed modifications were to ensure compliance with the Voting Rights Policy of the Nasdaq Stock Market and related staff interpretations with respect to board observer rights.

On June 24, 2019, representatives of Nasdaq, Olshan and Lowenstein participated in a conference call in which they discussed the proposed modifications to the terms of the Series A Preferred Stock and the listing application process for Parent.

On June 24, 2019, Lowenstein delivered to Olshan a draft of Amendment No. 2 to the Investment Agreement and a revised form of Parent Charter to reflect the amended terms of the Series A Preferred Stock, as discussed with Nasdaq. Olshan provided comments to these documents on June 25, 2019, and the revised Parent Charter was sent to Nasdaq that same day. The documents were finalized by e-mail on June 26, 2019.

On June 27, 2019, following email communications among the members of the I.D. Systems board of directors with respect to the terms of Amendment No. 2 to the Investment Agreement and revised form of Parent Charter, which email communications included the final versions of those documents, the I.D. Systems board of directors, acting by unanimous written consent, (i) determined that the terms and provisions of the Investment Agreement, as amended, and the transactions contemplated thereby are fair to, advisable and in the best interests of I.D. Systems and its stockholders, (ii) authorized and approved the Amendment No. 2 to the Investment Agreement (including the revised form of Parent Charter as an exhibit) and the transactions contemplated by the Investment Agreement, as amended, (iii) recommended to the stockholders of I.D. Systems that such holders adopt the Investment Agreement, as amended, and (iv) directed that the Investment Agreement, as amended, be submitted to the holders of I.D. Systems Common Stock for consideration.

Later that day, I.D. Systems, Parent, I.D. Systems Merger Sub and the Investors executed Amendment No. 2 to the Investment Agreement (which included the revised form of Parent Charter as an exhibit)

Recommendation of the I.D. Systems Board of Directors and I.D. Systems' Reasons for the Transactions

The I.D. Systems board of directors unanimously (i) determined that the terms and provisions of the Agreements and the Transactions, including the I.D. Systems Merger and the Pointer Merger, are fair to, advisable and in the best interests of I.D. Systems and its stockholders, (ii) authorized and approved the Agreements and the Transactions, including the I.D. Systems Merger and the Pointer Merger, (iii) recommended to the stockholders of I.D. Systems that such holders adopt the Investment Agreement and approve the issuance of the Acquisition Shares and the Investment Shares, (iv) directed that the Investment Agreement be submitted to the holders of I.D. Systems Common Stock for consideration, and (v) approved the material changes contained in the Parent Charter.

THE I.D. SYSTEMS BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT I.D. SYSTEMS STOCKHOLDERS VOTE "FOR" PROPOSALS 1 THROUGH 9 AND "FOR" ANY PROPOSAL TO ADJOURN THE

SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES TO OBTAIN THE I.D. SYSTEMS SPECIFIED STOCKHOLDER APPROVAL.

For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of I.D. Systems Common Stock or Pointer Ordinary Shares, as applicable, that is neither a U.S. holder, a partnership or other entity classified as a partnership for U.S. federal income tax purposes, nor a person that holds (or has held, directly or constructively, at any time during the five-year period ending on the date of the Transactions) five percent or more of the outstanding I.D. Systems Common Stock or Pointer Ordinary Shares (except as specifically provided below).

This discussion is limited to holders that hold their shares of I.D. Systems Common Stock or Pointer Ordinary Shares as capital assets within the meaning of Section 1221 of the Code and does not purport to be a complete analysis of all potential tax effects of the Transactions. It also does not address all aspects of U.S. federal income taxation that may be important to a holder in light of that holder's particular circumstances or to a holder subject to special rules, such as:

- holders subject to special treatment under U.S. federal income tax laws (for example, brokers or dealers in securities, financial institutions, mutual funds, real estate investment trusts, insurance companies, or tax-exempt organizations);
- a holder that holds I.D. Systems Common Stock or Pointer Ordinary Shares as part of a hedge, appreciated financial position, straddle, conversion transaction or other risk reduction strategy;
- a U.S. holder whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- a holder that is a "controlled foreign corporation" or "passive foreign investment company";
- a holder that is a partnership or other entity classified as a partnership for U.S. federal income tax purposes;
- a holder that holds I.D. Systems Common Stock or Pointer Ordinary Shares through a partnership or other entity classified as a partnership for U.S. federal income tax purposes;
- a holder who acquired I.D. Systems Common Stock or Pointer Ordinary Shares pursuant to the exercise of options or rights or otherwise as compensation or through a tax-qualified retirement plan; or
- a holder that owns more than five percent of the outstanding I.D. Systems Common Stock or Pointer Ordinary Shares (except as specifically provided below).

In addition, this discussion does not address any non-income tax considerations (such as gift or estate tax), the alternative minimum tax, the Medicare tax on certain investment income, or any state, local or foreign tax consequences of the Transactions.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this joint proxy statement/prospectus, all of which may change, possibly with retroactive effect. This discussion assumes that the Transactions will be completed in accordance with the terms of the Agreements. None of Parent, I.D. Systems or Pointer has requested, or intends to request, any ruling from the IRS as to the U.S. federal income tax consequences of the Transactions. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. Accordingly, each I.D. Systems shareholder and each Pointer shareholder should consult its tax advisor with respect to the particular tax consequences of the Transactions to such holder, including the consequences if the IRS successfully challenges the intended tax treatment of the Transactions (as described below).

Intended Tax Treatment of the Transactions Generally

It is the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP, counsel to I.D. Systems, that, with respect solely to the holders of I.D. Systems Common Stock, the exchange by U.S. holders and non-U.S. holders of I.D. Systems Common Stock for an equivalent number of shares of Parent Common Stock pursuant to the I.D. Systems Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code and, taken together with the Pointer Merger and the Preferred Investment, as a transaction described in Section 351 of the Code.

The exchange by U.S. holders and non-U.S. holders of Pointer Ordinary Shares for Parent Common Stock and cash consideration, taken together with the I.D. Systems Merger and the Preferred Investment, is intended to qualify as a transaction described in Section 351 of the Code.

Tax Consequences to U.S. Holders and Non-U.S. Holders of I.D. Systems Common Stock

Based on the opinion (as set forth in Exhibit 8.1 to the registration statement of which this joint proxy statement/prospectus forms a part) of Olshan Frome Wolosky LLP, with respect solely to the holders of I.D. Systems Common Stock, that the I.D. Systems Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences of the I.D. Systems Merger to a U.S. holder or a non-U.S. holder of I.D. Systems Common Stock will be as follows:

- no gain or loss will be recognized by such holder upon the exchange of its I.D. Systems Common Stock for Parent Common Stock in the I.D. Systems Merger;
- the aggregate basis of the Parent Common Stock received in the I.D. Systems Merger by such holder will be the same as the aggregate basis of the I.D. Systems Common Stock surrendered in exchange therefor; and
- such holder's holding period in the Parent Common Stock received in the I.D. Systems Merger will include the holding period of the I.D. Systems Common Stock surrendered in exchange therefor.

Tax Consequences to U.S. Holders of Pointer Ordinary Shares

Assuming the Pointer Merger, taken together with the I.D. Systems Merger and the Preferred Investment, qualifies as a transaction described in Section 351 of the Code, the U.S. federal income tax consequences of the Pointer Merger to a U.S. holder of Pointer Ordinary Shares will be as follows:

- gain, but not loss, will be recognized by such U.S. holder as a result of the exchange of its Pointer Ordinary Shares for Parent Common Stock and cash consideration in the Pointer Merger in an amount equal to the lesser of (1) the amount by which the sum of the fair market value of the Parent Common Stock and cash received by the U.S. holder exceeds such U.S. holder's tax basis in its Pointer Ordinary Shares surrendered in exchange therefor, and (2) the amount of cash received by such U.S. holder in the Pointer Merger;
- the aggregate basis of the Parent Common Stock received in the Pointer Merger by such U.S. holder will be the same as the aggregate basis of the Pointer Ordinary Shares surrendered in exchange therefor, decreased by the amount of any cash received and increased by the amount of any gain recognized; and
- such U.S. holder's holding period in the Parent Common Stock received in the Pointer Merger will include the holding period of the Pointer Ordinary Shares surrendered in exchange therefor.

If a U.S. holder acquired different blocks of Pointer Ordinary Shares at different times or at different prices, any gain or loss will be determined separately with respect to each block of Pointer Ordinary Shares that is surrendered in the Pointer Merger and such U.S. holder's basis and holding period in its shares of Parent Common Stock may be determined with reference to each block of Pointer Ordinary Shares. Any such holders should consult their tax advisors regarding the manner in which cash consideration and Parent Common Stock received in the exchange should be allocated among different blocks of Pointer Ordinary Shares and with respect to identifying the bases or holding periods of the particular shares of Parent Common Stock received in the Pointer Merger.

Gain that a U.S. holder of Pointer Ordinary Shares recognizes in connection with the Pointer Merger generally will constitute capital gain and will constitute long-term capital gain if such U.S. holder has held (or is treated as having held) its Pointer Ordinary Shares for more than one year as of the date of the Pointer Merger. Long-term capital gain of certain non-corporate U.S. holders, including individuals, is generally taxed at preferential rates.

I.D. SYSTEMS PROPOSAL 7: TO APPROVE CERTAIN PARENT CHARTER PROVISIONS DESIGNATING THE CHANCERY COURT OF THE STATE OF DELAWARE AS THE EXCLUSIVE FORUM FOR CERTAIN LEGAL ACTIONS

Article SIXTEENTH of the Parent Charter provides, subject to certain exceptions enumerated in Article SIXTEENTH, that, unless Parent consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any stockholder to bring (i) any derivative action brought on behalf of Parent, (ii) any action asserting a claim of breach of fiduciary duty owed by any current or former director, officer or other employee or stockholder of Parent, (iii) any action asserting a claim arising pursuant to the DGCL or the Parent Charter or the Parent Bylaws or as to which the DGCL confers jurisdiction on such court or (iv) any action asserting a claim governed by the internal affairs doctrine, except for, in each of the aforementioned actions, among other things, any claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. Accordingly, the exclusive forum provision will not apply to claims arising under the Securities Act, the Exchange Act or other federal securities law for which there is exclusive federal jurisdiction or concurrent federal and state jurisdiction. Article SIXTEENTH provides that any person or entity who acquires an interest in the capital stock of Parent will be deemed to have notice of and consented to the provisions of Article SIXTEENTH. Stockholders will not be deemed to have waived Parent's compliance with the federal securities laws and the rules and regulations thereunder. The I.D. Systems Charter does not have any similar exclusive forum provisions.

The exclusive forum provisions of Article SIXTEENTH are intended to assist Parent in avoiding multiple lawsuits in multiple jurisdictions regarding the same matter. The ability to require such claims to be brought in a single forum will help to assure consistent consideration of the issues and the application of a relatively known body of case law and level of expertise and should promote efficiency and cost-savings in the resolutions of such claims. The I.D. Systems board of directors believes that the Delaware courts are best suited to address disputes involving such matters given that Parent is incorporated in Delaware, Delaware law generally applies to such matters and the Delaware courts have a reputation for expertise in corporate law matters. Delaware offers a specialized Court of Chancery to address corporate law matters, with streamlined procedures and processes which help provide relatively quick decisions. This accelerated schedule can minimize the time, cost and uncertainty of litigation for all parties. The Court of Chancery of the State of Delaware has developed considerable expertise with respect to corporate law issues, as well as a substantial and influential body of case law construing Delaware's corporate law and long-standing precedent regarding corporate governance. This provides stockholders and Parent with more predictability regarding the outcome of intra-corporate disputes.

For these reasons, the I.D. Systems board of directors believes that providing for the Court of Chancery of the State of Delaware as the exclusive forum for the types of disputes described above is in the best interests of Parent and its stockholders. At the same time, the I.D. Systems board of directors believes that Parent should retain the ability to consent to an alternative forum on a case-by-case basis where Parent determines that its interests and those of its stockholders are best served by permitting such a dispute to proceed in a forum other than in Delaware.

For more information about the Parent Charter, see "Description of Parent Capital Stock", beginning on page 183 of this joint proxy statement/prospectus and the full text of the Parent Charter included as Annex C hereto.

THE I.D. SYSTEMS BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ITS STOCKHOLDERS VOTE "FOR" THE APPROVAL OF PROPOSAL 7.