

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

<b>(SECTION 1)</b>
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Date: Tuesday, November 17, 2009

Time: 4:30 PM

Place: Proginet Corporation  
200 Garden City Plaza  
Suite 220  
Garden City, NY 11530

<b>(SECTION 2 - INTRODUCTION)</b>	
<b>Allen Wolpert</b>	Ladies and Gentlemen, for those present in person and those present via telecommunications, I welcome you to Proginet Corporation's Annual Meeting of Stockholders. I am Allen Wolpert, Chairman of Proginet. I will preside at this Meeting and transact the Meeting, and then turn the session over to Sandy Weil, President and CEO of Proginet Corporation.
<b>Allen Wolpert</b>	I hereby call this Annual Meeting of Stockholders to order. On behalf of my fellow directors, and the Proginet management team, it is my pleasure to welcome you to this Annual Meeting of Stockholders. I would like to take this opportunity to present to you the management team and directors of the Corporation who are present today.
	Our non-employee directors present today are myself, Dr. Kelly Hyslop, Mr. Amit Basak, and Mr. George Hawes.
	The managers present are:
	(1) Sandy Weil, President, CEO and Director
	(2) Joe Christel, CFO
	(3) Steve Flynn, Chief Operating Officer and Corporate Secretary
	(4) Debra DiMaria, Inspector of Elections
	Also with us today is Allan Grauberd from legal counsel, Moses & Singer LLP.
	First, I ask Debra DiMaria, to make a brief statement and to report on the formal steps taken in connection with this Meeting.
<b>Debra DiMaria (Procedures of Meeting)</b>	Thank you Allen. The Board of Directors has adopted resolutions which provide that this Meeting be held today, and which fixed the close of business on September 28, 2009 as the record date for the determination of Stockholders who are entitled to receive notice of, and vote, at this Meeting.
<b>(Affidavit of Mailing)</b>	I hereby present the affidavit of an employee of American Stock Transfer & Trust Company, the Corporation's Transfer Agent, which states that the Notice of the Annual Meeting of Stockholders, Proxy Statement, and Proxy Card were mailed on October [8], 2009 to each holder of the Corporation's Common Stock as of the close of business on September 28, 2009.
<b>(Stockholder List)</b>	I also submit a certified list of the Stockholders of the Corporation's Common Stock as of the record date, which was compiled by the Transfer Agent, and which is available for inspection here today. This list sets forth each Stockholder's address and holdings as they appear on the records of the Transfer Agent and on the stock ledger. According to this list, there were

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

	16,826,073 shares of Common Stock outstanding on the record date. Each outstanding share of Common Stock is entitled to one vote on the matters presented at this Meeting.
<b>Allen Wolpert</b>	Thank you Debra. Would you please file the Affidavit as to the mailing of the Proxy Material in the minute book of the Corporation with the minutes of the Meeting.
<b>(Filing Proxies)</b>	* Are there any persons present who are proxies for Stockholders of record and who have not filed their proxies with the Corporate Secretary? If so, such proxies should now be filed.
	* Are there any Stockholders of record present who have not sent in proxies and who desire to either sign a proxy or vote in person?
	(PAUSE) If there are, will you please raise your hand so that we may check your name against the Stockholders list and provide you with a proxy or a ballot.
	[PAUSE for replies and time to permit the Corporate Secretary and Inspector to receive and make a record of all proxies and ballots and to interview Stockholders who wish to sign proxies or vote in person]
<b>(Appointment of Inspector)</b>	I appoint Debra DiMaria to act as Inspector of Election of this Meeting. The Inspector has executed an oath to carry out her duties impartially and to the best of her ability.
<b>Debra DiMaria (File inspectors Oath)</b>	Mr. Chairman, I present to you the Oath signed by me as the Inspector of Election.
<b>Allen Wolpert (Call for preliminary count)</b>	Thank you Debra. The Oath of the Inspector of Election will be filed with the minutes of this Meeting.  Debra will now provide us with a count of the Stockholders present in person or by proxy and report on the presence of a quorum?
<b>[Debra DiMaria]: (Preliminary Count)</b>	Allen, I can report that a preliminary count indicates the presence of a quorum. I am in the process of completing a count of all Stockholders present in person or by proxy and will render an exact report at the end of the Meeting.
<b>Allen Wolpert (Declaration of Quorum)</b>	Thank you Debra. Since the holders of record of a quorum of the issued and outstanding shares of stock of the Corporation entitled to vote at this Meeting are present in person or by proxy, I declare that a quorum is present.
	<b>(SECTION 3 - DIRECTOR NOMINEES)</b>
<b>(Election of six directors)</b>	The first order of business today is the election of (6) six directors of the Company to serve on the Board of Directors until the next Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified. The persons receiving a plurality of the votes cast shall be elected. I hereby open the floor for nominations.
<b>Debra DiMaria (Nomination of Directors)</b>	Mr. Chairman, as a Stockholder of record of the Corporation, I hereby nominate the following persons for election as directors, constituting the slate of nominees set forth in the company's proxy statement: Amit K. Basak, George T. Hawes, Dr. E. Kelly Hyslop, Stephen Kezirian, Sandy Weil, and Allen Wolpert.
<b>Allen Wolpert</b>	As a Stockholder of record of the Corporation, I second the nominations.

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

	We have received nominations to elect six persons to serve as directors of the Corporation.
<b>(Close nominations)</b>	If there are no further nominations, I will entertain a motion that the nominations for the election of directors be closed.
<b>Debra DiMaria</b>	I move that the nominations for election of directors be closed.
<b>Allen Wolpert</b>	I second the motion.
	<b>(SECTION 6 – RESULTS OF THE VOTE)</b>
<b>Allen Wolpert</b>	<p>I now call for votes for the election of 6 (six) directors.</p> <p>Will the inspector of elections please distribute a ballot for the proposal to each stockholder present who has not previously voted by proxy or who has previously voted by proxy and who now wishes to revoke that proxy and vote in person.</p> <p>[Pause]</p> <p>If all of the ballots have been completed, I declare the polls closed.</p> <p>Will the inspector of elections please collect the ballots and tally the votes.</p> <p>[Pause and wait for inspector of elections to complete tally of votes]</p>
<b>Debra DiMaria</b>	Mr. Chairman, as the Inspector of Election, I would like to report on the voting results. I report that there are 11,532,736 shares of Common Stock entitled to vote represented at this meeting either in person or by proxy, comprising approximately 69% of the outstanding Common Stock of the Corporation.
<b>(Directors) Debra DiMaria</b>	In the voting for directors, I hereby report that Amit Basak, George T. Hawes, Dr. E. Kelly Hyslop, Sandy Weil, Stephen Kezirian, and Allen Wolpert, each received a plurality of the votes cast.
<b>Allen Wolpert</b>	Thank you, Debra. I hereby declare that Amit K. Basak, George T. Hawes, Dr. E. Kelly Hyslop, Stephen Kezirian, Sandy Weil, and Allen Wolpert, have been elected directors of the Corporation
<b>(Adjourn) Allen Wolpert</b>	There being no further business coming before this meeting, I will now entertain a motion to adjourn the meeting.
<b>Debra DiMaria</b>	I move the Meeting be adjourned
<b>Allen Wolpert</b>	I second the motion
	<p>I hereby declare this meeting adjourned. Thank you for your participation and support.</p> <p>I will now turn the call over to Sandy Weil who will discuss First Quarter financial results, which were announced today.</p>
	<b>(END)</b>

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

(Sandy Weil)

Good afternoon everyone. I'm Sandy Weil, the President and CEO of Proginet Corporation.

I am very pleased with the continued progress and profitable consistency that we have achieved in Q1 and look forward to the rest of fiscal 2010.

Before we get started, I would like Joe Christel, our new Chief Financial Officer, to read the Safe Harbor Disclosure to ensure everyone understands the information relating to the Regulation Fair Disclosure (FD) and the disclosure of information. Joe will then go over our financial results for the first quarter. I also want to thank Debra DiMaria for her 9+ years of service to Proginet and wish her the best as she moves onto other endeavors. She has worked diligently to transition the CFO role over the last five months and will continue, on a part-time basis, to assist Joe in that transition through the end of the calendar year.

(Joe Christel)

Safe Harbor Disclosure

Regulation Fair Disclosure, FD, regulates how material news can be released to investors and the general public. FD also regulates that specific information must be disclosed publicly before it can be discussed privately. However, the SEC does allow corporations, like Proginet, to provide complementary information to matters that have been publicly disclosed.

With the exception of certain current or historical information, the matters to be discussed in today's conference call include forward-looking statements that involve risks and uncertainties, which are further described in our S.E.C. filings on Form 10-K and Form 10-Q, that could cause actual results to differ from those indicated in the conference call and include, but are not limited to:

- The ability of Proginet to grow our sales efforts domestically, our indirect channels internationally, and our new OEM arrangements
- The ability of Proginet's software development team to complete our planned projects in a timely manner , and
- The ability of Proginet to support sales opportunities to the organizations to which we sell

And

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

- The ability of Proginet to support our distribution and OEM initiatives around the world.

Proginet disclaims any obligation to update any such forward-looking statements after the date of this conference call.

Lastly, the referenced financial information provided in this call does not contain the details and footnotes provided in our SEC filings. It is important that participants obtain and thoroughly review these when they are filed with the SEC in Proginet's 10-Q, expected to be filed on or about, December 10, 2009.

Please consider these factors thoroughly throughout our discussion today.

Now, over to a discussion on financial results:

(Joe Christel) CFO DISCUSSION

I would like to begin with a discussion of our first quarter results.

On a quarter over quarter basis, total revenues decreased by 24% to \$2.2 million. This revenue decrease was driven mainly by the revenues associated with last year's license agreement with BETA systems for our SecurAccess and SecurForce product lines. Despite the decrease, we were pleased to have closed a major deal with a large insurance company, as well as seeing increased revenue from our business partners.

On the expense side, operating expenses decreased \$785,000 to \$2.1million. The decrease is primarily attributed to reduced headcount, decreased professional fees from those associated with the BETA deal, and cutting back on noncritical expenses. Going forward, we will continue to search for ways to reduce redundant expenses.

For the quarter, we reported a net profit of \$78,519 as compared to a net loss of \$3,200 in last year's first quarter.

Cash has increased in the first quarter to \$1.6 million.

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

Also in the quarter, the Company finalized a credit facility to smooth out cash flows as needed that allows for advances of up to \$800,000 against 80% of eligible receivables.

Now, I would like to turn the call back to Sandy.

(Sandy Weil) CEO PERSPECTIVE:

Thank you, Joe.

We delivered a good quarter of revenues and profitability in what is usually a difficult time of the year for us. Last year we had some good numbers in Q1, but that was nearly all due to the strategic transaction we did with Beta Systems. Revenue this quarter was approximately 70% direct and 30% indirect with contribution from three of our four major partners in North America, Europe and Asia. As I said in our preliminary release, revenue was mostly from the financial and government sectors, but what was good about this was the wide variety of sources that produced the revenue. We received leads directly (to Proginet) or indirectly (from partners) inbound from emails, phone calls and on our websites from both organic and inorganic sources and also from outbound email, phone calls and referrals both direct and both indirect .

Now, on to a review of the ten key initiatives from my year end discussion and our progress on these areas

First, we have delivered on our OEM rebranding commitments and will continue to listen to our OEM partners and improve our product white label capabilities. We have been investing in sales trips to support our exclusive distribution agreement with Beta Systems in Western and Eastern Europe and Scandinavia. Also, we have delivered training and the OEM “white label” products to Software AG, Attachmate and Inovis which have been received well by their technical, sales and professional services teams

Second, earlier in the quarter we embarked on a significant product assessment and roadmap program which will produce our phased plans for the rollout of CFI Version 7 which we are calling C7 in order to make sure that the marketplace continues to look to us for innovation and creative thinking. These plans have been reviewed today by our board and you can stay tuned for some product announcements we expect to make in the 2<sup>nd</sup> and 3<sup>rd</sup> Quarters.

Third, the capabilities of our Internet Server are being designed to work on a hardware and virtual appliance platform.

Fourth, we have completed the planning process for Slingshot Version 2.0 and will be including that plan in our new roadmap and release plans.

**ANNUAL MEETING OF STOCKHOLDERS  
OF  
PROGINET CORPORATION**

Fifth, we have closed seven different deals in the government sector and will continue focusing our efforts in that area.

Sixth, we have made significant progress in implementing our new internal financial system, Netsuite and just went live yesterday with the product. This effort was led by our new CFO, Joe Christel, and a small cross departmental team. We will continue to implement best practices in the finance area and welcome Joe and his new and innovative thinking to our leadership team.

Seventh, we are focused on expense and cash management and at the end of Q1 had a cash balance that has increased to \$1.6MM.

Eighth, we will continue to seek additional talent using our website along with traditional and newer avenues of finding the right people for the job.

Ninth, we will continue to educate our new OEM and distribution partners and have held six different training classes at our offices, at their headquarters, and by virtual webex over the last three months.

Tenth, and not last by any means, we will continue the innovation of our products, process, and business methods to ensure that we capitalize on opportunities for growth and/or corporate cost control.

Summary

In summary, I am proud of my team and our ability to continue to change and adapt, while at the same time delivering the consistent results we are capable of.

Thank you. Now, I would like to open up the call for questions.