



Solving the problem of Private Listening of Television, CloviTek Inc. is bringing to market a Device that enables users to Listen to any nearby TV using their Mobile Phones and a Headphone



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CEOCFO: Mr. Kirkpatrick, what is the idea behind CloviTek, Inc?

Mr. Kirkpatrick: When I grew up in the Ukraine I struggled through my life. I grew up in an orphanage and I did not have any way to earn money. Once, at Christmas time, I raised some money and bought myself a TV. At that time I was taken into foster care and I wanted to watch a little TV, but I could not because late at night my foster mom would not allow us to watch it. However, I was able to cover myself with a blanket and watch it, but with little or no volume. Years later, I stumbled onto the same problem again, but it was at a local gym when I was running on a treadmill. I saw muted TVs and wondered, "Why can I not solve this problem; unmute each TV and listen to TV wirelessly? At that point I decided to solve the problem. Therefore, CloviTek is actually a company that solves the problem of private listening. It allows users to listen to any nearby TV over WiFi, using their headphones plugged into their mobile phone. The users can adjust their own volumes and listen without disturbing others.

CEOCFO: What did you know about technology that gave you the confidence you could do this?

Mr. Kirkpatrick: Over the years, I graduated with an culinary degree in the Ukraine, and then I got a bachelors degree in Electronics from Ukraine and computer science from Utah Valley University. During my MBA studies at the University of Utah I decided to learn about the business side, when I realized that there are consumers that need my idea. I knew, based on my electronic background, how to solve it and I solved it.



CEOCFO: What was the biggest challenge and how did you overcome it?

Mr. Kirkpatrick: The biggest challenge I had was to bring the product into the market. I overcame it by taking funds from my savings account and some of my 401K money. I decided to do research and file for the patent and then decided to move forward with the production. The process has been and is still a little bit slow, because it is self-funded—a startup. However at the same time, we are moving forward, and we have momentum. We have recognition by the industry and got awards for the solution that we have.

CEOCFO: Would you explain the solution? What is actually happening?

Mr. Kirkpatrick: You have probably experienced my listening problem yourself when you sat at the Sky Lounge or some business waiting room or at an airport by a gate, or even if you were at a sports bar and you saw muted TVs. You see banks of TVs, but you cannot hear any of them, and usually they are muted because they would cause unnecessary

noise, and some people do not want to be distracted or disturbed. It would be similar at night as well, when you want to watch TV and your spouse is sleeping or a child is trying to sleep. In these situations, the solution is to enable people to use their own headphones... They can wirelessly transmit audio over WiFi to their mobile phone and use their own, comfortable headphones. They can adjust their volume to a comfortable level. It really helps for assisted listening situations, where many TV watchers can improve their listening experience as well.

CEOCFO: *Has this been tried previously or has no one thought of it?*

Mr. Kirkpatrick: There are current wireless audio solutions that provide similar audio transmission over a wireless network, but those have limitations. Those are Bluetooth audio transmitters. They are limited by distance and sound quality, like bit rate and also by one-on-one connectivity, not multiple users. I am trying to use modern, wireless technology, such as WiFi, to enable, not just one TV listener, but multiple users to listen to a TV or any audio source; it does not have to be a TV.

CEOCFO: *How would that work with multiple users? What would you be connecting to what?*

Mr. Kirkpatrick: There is a hardware piece and a software piece to it. The hardware piece connects directly to the TV by one of the audio ports. It could be optical or digital coaxial or analog port, such as a three point five millimeter jack. The user connects the device to the TV. They power it on through a USB port, and then they launch a mobile app, which will be available for Android and iOS smart devices. The mobile app recognizes the TVs that are available nearby, and the user selects the TV he or she wants to hear and the devices start streaming the audio.

CEOCFO: *The device looks relatively small?*

Mr. Kirkpatrick: Yes, it is...about half a pound in weight. It is very small.

“CloviFi solves the problem of listening to a TV whose volume must be very low or even muted in quiet places like your bedroom or in public places like bars, airports, business lounges, gyms, barber shops, schools, museums, etc.” - Vitaly Kirkpatrick

CEOCFO: *Where are you right now with the product and with the recognition and with the funding?*

Mr. Kirkpatrick: Funding is the most challenging part, because I need to reach venture capitalists. In fact, I have received a couple of invitations to pitch my business plan at the end of this month. I am located in Salt Lake City, Utah, so I'll pitch to the Salt Lake City Angel Groups as well as Park City Angel Groups. Hopefully it goes well and I will get funding. However meanwhile, I invested my savings and my retirement fund to initiate a small production run of about one hundred units, so I can send out CloviFi for trials and get some customer feedback before I launch the full production line. Those units, the initial production, will be available sometime at the end of July or in early August.

CEOCFO: *What have you learned about presenting the CloviTek story as you have been talking to more and more people?*

Mr. Kirkpatrick: In the beginning I tried to be very descriptive and very detailed. I even prepared a business plan that was over one hundred pages. I did not realize how investors look at business plans. Then I learned that they like briefers to be concise. They do not have time to read those scientific plans. They would rather attend a presentation. Realizing this, I decided to focus more on being concise in my presentations and focusing more on the traction that we gain and not the product. Therefore, now I am basically laying out the story of who is going to benefit, how they are going to benefit, why it is going to benefit the investors, and how they are going to get their money back.

CEOCFO: *There seems to be many possibilities of potential users. Where do you see the as first group to address or how do you plan on reaching out to a diverse market?*

Mr. Kirkpatrick: We have identified a few small businesses that are willing to set up devices in their indoor facilities, such as indoor golf where they have multiple TVs. I also contacted one small bar that has five TVs. It is those kinds of small groups that we are trying to reach first, to get the initial feedback on how they use it, and whether it is useful to have such an audio solution. Those businesses are bars and fitness centers, such as LA Fitness or any others that are able to accommodate the trial. After we roll out the initial trial, hopefully we will be able to present my audio solution to enterprises such as Delta Airlines or 24 Fitness and so on.

CEOCFO: *How will you be manufacturing the device?*

Mr. Kirkpatrick: While we are still at this early stage, to save on manufacturing costs and overhead costs; we will be manufacturing CloviFi in China. We have a great relationship over there with a Chinese manufacturer. We trust them. We have been to their plant. We initially wanted ten units and it worked great, and now they are producing one hundred units

quickly. The next order will be a few thousand units, also manufactured in China. Then we will look for other possibilities to bring manufacturing closer to where we are, in Salt Lake City.

CEOCFO: Does your personal story help when you are talking to people?

Mr. Kirkpatrick: Yes, it does. The feedback I received from potential investors and people who listen to my story shows me that they were amazed at where I came from and they understand my passion behind CloviFy. They understand it is not just me, here in the United States, trying to figure out a way forward, but it goes back beyond the times when I could afford to do anything. Therefore, I have a link between my past and present.

CEOCFO: For A/V integrators or investors, how is CLOVIFI different?

Mr. Kirkpatrick:

- a. *CloviFi cloud platform allows integration of relevant to your business content in the app during the audio streaming session from the TV*
- b. *Existing audio channels from set-top boxes, music systems, or other audio sources can be used.*
- c. *Existing Wi-Fi network is used—no broadcast or spectrum issues.*
- d. *Scalable solution, from one to dozens of audio sources, and hundreds of simultaneous users.*
- e. *Cloud-based portal management, diagnostics and upgrades.*
- f. *Does not interfere with your customer's Internet access. Uses negligible Internet bandwidth.*
- g. *Audio channel assignments remain even after power loss.*
- h. *Modular and expandable system.*

CEOCFO: Why should people pay attention to CloviTek, Inc? Why is it an important idea, not just something nice to have?

Mr. Kirkpatrick: CloviFy is a cool idea. Whenever I tell people about it, either a business owner or just a regular homeowner with a family, when I explain to them what I am working on, they always say, "Cool!, It is a cool solution!" They are so surprised that they have not seen it and have not tried it yet. At the same time, "Clovi" in the Ukrainian or Russian language means "Cool." That is why CloviTek means Cool Technology. Plus, we are not just bringing one solution. Clovify is just a start. It is not that we are just bringing one transmitter to the world, but we will have other potentially great products, cool products, that will enhance living and improve living at home as well as for business owners who will benefit from a lot of interesting, cool stuff.

