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Interviews & News!

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BAXL's New Broadband Products, Allow Telephone Carriers And Cable Operators A New And Exciting Alternative In Providing High-Speed Internet Access, IP Television, Video on Demand Or VoIP Services In Any Building, Anywhere, With Any Wiring



TECHNOLOGIES

**Technology
Communication Equipment
(BXLH-OTC: BB)**

BAXL Holdings, Inc.

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Bethel, CT 06801
Phone: 203-730-1791**



Gus Bottazzi
Chairman, President and CEO

BIO:

Gus Bottazzi has almost two decades of sales, marketing and executive management experience in the telecommunications, software and Internet industries. He has held senior positions at Novell, Glo-

bix Corporation and WinStar Communications. Most recently, Mr. Bottazzi was Chief Executive Officer of Warp Technology Holdings, Inc. where he led the conversion of the legacy business to profitability via global alliances with such technology partners as IBM, Dell and Nortel. He graduated from New York University with degrees in Mathematics and Biochemistry.

Company Profile:

BAXL Technologies, Inc. is a solutions provider that enables the reliable delivery of wired and wireless broadband applications including voice, video and data, over any existing wiring. BAXL's Merlot Solution is easy to install and use; yet powerful enough to utilize all the benefits of present day and future broadband applications with continuous fixed bandwidth. The Merlot Solution allows the delivery of advanced applications including High Speed Internet Access (HSIA), Video on Demand (VoD), Voice over Internet Protocol (VoIP) and Video Security & Surveillance, without the added expense of wire upgrades, or the need for modems or local power. BAXL's customers include many of the world's leading hotels, as well as multiple tenant properties and is marketed and sold through Telecom, Cable, Satellite and Technology Providers. Founded in 1997, BAXL is headquartered in Bethel, Connecticut.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Bottazzi, what was your vision when you joined BAXL, and where are you today?

Mr. Bottazzi: "I joined the company in October of 2005. At that time, the name of the company was Merlot Communications. They developed a technology that used existing copper telephone wiring, regardless of its condition, to deliver broadband applications such as high speed Internet Access, Video on Demand and Voice over IP without the need for costly rewiring. When I first reviewed the company, I thought it was a very unique opportunity.

In the business they built, the company focused its sales and marketing efforts within the hospitality industry; selling and servicing their products to hotels like Marriott, Hilton, and Ritz Carlton, seeing fast success. My background was strongly influenced by the Telco arena, working with AT&T, WinStar Communications and Teleport Communications, where I was exposed to the infrastructure side of the business. When I first started at Merlot, my vision was to broaden the horizon of the company and establish it as a technical provider of products, similar to Nortel, Lucent or Cisco, and sell into the Telcos and cable operators. I thought the technology the company developed would be highly useful to those carriers, for their long-term vision of building out their networks and supplying multiple services.

It is now two years later and we are in the position where we are adequately funded to achieve that goal, unlike our financial position two years ago. In January 2007, we changed the company name from Merlot Communications to BAXL Technologies Inc. "BAXL" is an acronym for **B**roadband **A**pplications over **eX**isting **L**ines. This name better describes the company's vision to de-

velop several technologies and products to increase its markets and geographies. BAXL has also expanded the product portfolio to include wireless. We incorporated a wireless access point into our wired jack, which is unique to us since we are one of the first in the industry to have that level of integration. By the end of this year, we will achieve speeds with our product that will eclipse anything the industry has seen. I am confident that by the end of 2008, we will be much closer to achieving our vision from 2005.”

CEOCFO: What is the physical product you are planning to sell, and to whom?

Mr. Bottazzi: “The way to best describe our product is to envision unscrewing a telephone jack on the wall and replacing it with our equivalent product, which we call the LapJack. We then place a switch in the telephone closet or basement of the building, about a thousand feet away from the LapJack. When you think about it, most, if not all buildings, such as hospitals, hotels and apartment complexes all have telephone wiring and jacks and are the markets we focus on. Our sales distribution would be through carriers like Time Warner Telecom, Verizon, AT&T, or Cox Communications; and abroad through British Telecom and Swisscom. We are successfully handling all the inside wiring distribution needs for a building that carriers might be struggling with.”

CEOCFO: How are they handling it now?

Mr. Bottazzi: “When some carriers look at buildings and consider what services and applications their customers need, such as providing internet access on a high-speed basis, delivering IP television or video on demand, or voice over IP, many of these carriers find it difficult to use the existing building’s wiring to deliver multiple broadband applications. Therefore, either they move on and do not sell or they need to invest a great deal of time and money in recabling the building with category-5 cable or coaxial cable, which is considered conventional wisdom. For the first time, the market is

getting a chance to reconsider that conventional wisdom and view us as a better and more cost effective alternative.”

CEOCFO: Is it relatively easy to gain access to the appropriate people or do they need to be convinced that they need what you have?

Mr. Bottazzi: “Anytime a new technology is introduced in the market, it takes a bit of evangelizing. We need to educate people who are predisposed to a certain way of thinking and believe that the traditional technology solutions to rewire a building or use DSL are the only answer. We need to help people think in a new way because BAXL’s technology is not a flavor of technology that they have seen before. The usual right of passage includes a three-staged approach. First, we

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meet and demonstrate on a whiteboard how our technology and applications can work for them. Second, we provide our equipment to be tested in their labs to prove the technology works as we stated. Third, the equipment goes into a field trial in a building that they think is typical of their installations. When the field trial is completed and viewed successful, our company has proved that we can meet their needs and we begin working together.”

CEOCFO: Do you have 99.9% uptime?

Mr. Bottazzi: “It is actually better. We exceed four-nines (99.99%) of availability. In laymen’s terms, we probably only suffer the equivalent of about 50 minutes of outage a year.”

CEOCFO: What is the secret of your technology?

Mr. Bottazzi: “The secret of our technology, without trying to be cute, is that we built a solution for a very specific problem or question: what do you do with the last 1000 feet of wires in a building? I say that because if you look at what the telecom industry had to work with over the last twenty plus years, most technology revolved around the telephone company’s central office. The difficulty with that type of solution is the greater the distance a building is from the central office, the less speed and quality is available for broadband applications to the end customer. Our company developed a solution that focused within a building or the last 1000 feet, which may sound like a short distance. However to put it in perspective, we have an installation in New York City that exceeds 55 stories high.

What makes us different is that we do not use DSL or cable modem technology as our ingredients. We have our own methodology. The secret sauce is that we didn’t try to be everything to everyone, we approached one problem and feel that we have successfully solved that problem.”

CEOCFO: Are you still doing individual installations or are you phasing out that part of your business?

Mr. Bottazzi: “Right now, we still have a mix of direct sales and distribution or channel sales and we do that for a couple of reasons. One is that every time we do direct sales we get immediate market feedback from customers of what is and is not working. Another is to further position our technology and use it as showcase for the distribution partners that we are courting. Our long-term strategy is to become an Original Equipment Manufacturer (OEM), and be a global technology solutions provider. So as we start seeing players like British Telecom, Verizon, and AT&T embrace us and start placing orders of size, we will see the direct side of the business start to dwindle.”

CEOCFO: Is your expectation that if one big company buys into your product, the rest will follow?

Mr. Bottazzi: “Yes. Despite the fact that the telecom sector is spread across the globe, it is still pretty small. Everyone knows what their competitors are doing. Big players in this industry are now looking at BAXL as an alternative to the conventional technologies they have been using for years. As new applications continue to emerge and budgets are not available for rewiring or to bring fiber to every home in every city across the world, we are now being viewed as a viable alternative. I believe that once one of the major carriers, OEM’s, or cable companies are successful in reducing their costs or increasing their margins by deploying BAXL technology, that others will soon follow.”

CEOCFO: You have a large European presence; do you find that helpful for the plans going forward?

Mr. Bottazzi: “Yes Europe is a wonderful market for us for one simple reason. Since the vision of our technology has always been to optimize old wiring, to provide a fiber-like broadband user experience, the profile of buildings in Europe are ideal. We have come across buildings in sections of Europe that are four or five hundred years old. Clearly, they are not the grade that would be useful to a carrier and the notion of recabling those buildings is very expensive. European customers are viewing BAXL as an interesting alternative because frankly they do not have any other option.”

CEOCFO: What is your financial picture like today?

Mr. Bottazzi: “As of September 2007, we went public through a reverse into a public shell. The company’s symbol is

BXLH.OB. Being public helps give us more accessibility to capital and our revenues are starting to grow steadily.”

CEOCFO: Why should potential investors be interested and what should they know that they might miss when they first look at BAXL?

Mr. Bottazzi: “The albatross around BAXL’s neck is that we have been around for ten years and some may believe that if you have not made it in ten years, then you may never. That creates a problem for me because I have only been working here for a couple of years and just recently put together a new management team and simplified the capital structure. We also have changed to a public posture and enhanced our technology. Frankly, I like to use the statement “this is not your father’s Oldsmobile,” and by looking at our ten-year history, it is really looking in the rear-view mirror and seeing what the company was, not what the company is today. When you consider the size of deals that we are now being considered for and the caliber of carrier and cable operators that we are now in discussions with, I believe we are starting to deliver on our promises to our investors. When investors first look at BAXL many can not see that this is a ten year old company going through a major transformation.”

CEOCFO: Do you make an effort to reach potential investors and if so how do you do that?

Mr. Bottazzi: “We only recently embarked on any real efforts with hiring an investor relations company, Allen & Caron. We have a world-class website and we are starting to be much more me-

thodical about what we list there for transparency purposes. There will be efforts in the next six to twelve months to bring BAXL’s story to the front and center within the Wall Street community. I envision that my CFO, COO and I will conduct extensive road shows come the spring to proselytize what it is we are doing now, and prove that at BAXL we are more than clever technology applied in an interesting manner. There is a real business here, which we believe is growing into something very meaningful.”

CEOCFO: What should people remember about BAXL?

Mr. Bottazzi: “BAXL has a many positive attributes, but none as important as the people that work here. We are believers that the next great impacting technology that hits any particular industry will come from a place you least expect. We think it would be extremely interesting to look at this company in twelve months time and then in thirty-six months time to consider if we might not be one of those next large, meaningful, impacting technologies that hits the industry that no one thought about. If that is the case then I think we will have all exceeded our goals and objectives and all of our hard work will pay off for everyone.”



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