

Preparing to Launch in May 2012, their BrioWave Device that Will Allow the Pool Pump and Air Conditioner, the Two Largest Energy Consuming Devices in a Household to Work in Concert, Providing a Reduction in Cost to the Consumer and a Tremendous Relief on Demand for the Utility, Attune RTD is Well Positioned for Future Growth

Technology
Smart Energy Controllers
(AURT-OTCBB)

Attune RTD
3700 B Tachevah Drive, Suite 117
Palm Springs, CA 92262-7404
Phone: 760-323-0233
Website: www.attunertd.com

Company Profile:

Attune RTD is an environmentally friendly, green thinking; value oriented socially responsible company that provides innovative solutions for consumers that eliminate inefficiencies, resulting in reduced energy consumption that we hope will translate to a reduction in demand for domestic and foreign energy requirements, while generating a profit.

Interview conducted by:
Bud Wayne, Editorial Executive
CEOCFO Magazine

CEOCFO: Mr. Davis, you pioneered your BrioWave technology about 4 years ago; how did that come about and how did you and Mr. Bianco come together?

Mr. Davis: This was something that we developed about four years ago. It came about because of my background as an electrician, which I am by trade. Therefore, I have spent many years around the pool industry and have an understanding of how pumps and pool circulation systems work. The idea for the technology was developed out over the past four years, but what it was four years ago is completely different from what it is today. We have a piece of technology that is constantly evolving, improving and getting better and handling more and more needs for not only the generation and utilities side, but most importantly the consumer who is paying the electrical bill. As far as Mr. Bianco and I, we met actually like a lot of people and business partners might meet; at a kids function. Our children are roughly the same age, so



Shawn Davis
Chief Executive Officer

Executive Bios:

Shawn Davis Chief Executive Officer

A licensed electrical contractor in the state of California and business graduate of Azusa Pacific University, Shawn Davis brings a multi-disciplinary mindset to his leadership of Attune | RTD. For well over a decade Shawn has pursued an ever-expanding career leading the engineering and design of lighting, electrical control circuits, pool and motor controls for both commercial and residential applications. Developing solutions for a broad array of clients has brought Shawn his present standing as chairman of one of the nation's leading innovators in maximizing the efficiency of existing mechanical systems.

Thomas Scott Bianco CFO & Controller

A seasoned, results-driven management professional with over 20 years' experience, Thomas offers considerable expertise in managing business operations in highly competitive markets. With an MBA from Colorado State University, Thomas speaks the language of excellence to team members at every level of the organization. A tested, proven leader in business, trade and civic groups, Thomas is an effective communicator, visionary planner and strategic thinker, and consistently delivers where it matters most—at the bottom line.



Tom Bianco
CFO & Controller

we have been friends and have had a relationship over the past several years. I then informed Tom Bianco of what I was working on and developed a business relationship as well.

Mr. Bianco: Shawn is a great partner. He is the best partner that one could have in business; he is my best friend as well.

Mr. Davis: I want to echo that, we are very close Mr. Bianco and I.

Mr. Bianco: Together we have leveraged some of the best organizational partnerships in the business with some of the most reputable and trusted names in the industry. For example, we have an excellent business relationship with Information Builders (IBI) and use what we feel is the most powerful business intelligence software suite in the industry tailored to meet Attune's purpose and integrate that with our own software and hardware platform. We also have a long-term relationship with Milwaukee Electronics Corporation (MEC) that we continue to leverage since 2007. MEC has a rich history, and was founded in 1954. MEC works very closely with Attune designing and developing our printed circuit boards as well as assisting in the development of our embedded software and how that integrates with the hardware solution. What people should know is that the hardware solution is manufactured in Milwaukee Wisconsin by MEC for Attune RTD. We chose to keep the manufacturing right here in the US because MEC is cost competitive and the boards are built by hardworking skilled Americans who are passionate about keeping their jobs and producing quality work. They might not be the least expensive solution; however, we feel they are the best solution, with a total quality management program that provides for one of the lowest defect rates in the industry. They are reputable, we can rely on them, and they know how to execute and deliver on time.

CEOCFO: We last spoke a couple of years ago; would you tell us about

changes that have occurred with your technology such as the new algorithm for load cycling and how it will broaden market appeal?

Mr. Davis: We have made many improvements and developments with the technology over the last couple of years. We started with the focus of balancing / managing a load between the air conditioning unit and the pool circulation system to give the generation / utility tremendous benefit on the grid, especially during peak time demand. Today, we still have that functionality, but what we have done is to continue to add to and make the technology better. Where we are now, is the device works dynamically on the pool filtration side to recondition daily, and dynamically change its filtration time depending on the weather conditions to give the pool circulation what it needs, but to remove any waste. Therefore, the pool stays clean

The device has a lot of other added value that is a tremendous benefit to the end user. The consumer can access the UI from a smart phone, iPad or laptop and remotely be able to change parameters on the fly. If they had a second home in Florida and lived in Palm Springs, they could still manage their electrical consumption from their laptop. - Shawn Davis

for the consumer and their electric bill receives great benefit as far as reduction in their bill. Currently, through a pilot with a major utility in Texas, we were saving consumers anywhere from 40% on average, but in some instances over 60% on the electricity associated with the pool circulation system. Beyond that we are looking to go to market here in May of this year (2012), launch our product and really start saturating the market. We also have the capability at this point to target energy on the air conditioning unit. One single device can control both appliances, the pool circulation pump and the air conditioning unit. Therefore, the consumer can actually target savings on the air conditioning side as well. Our device has the ability to learn and set a target of 20% or 30%, whatever the consumer desires. Our device with the algorithms that we have in place achieves the desired target. We have maintained the ability

to take the two largest energy consuming devices in the household and have them work in concert together instead of independently doing their own thing. The consumer gains a tremendous relief on their electric bill and we also give the utility company tremendous relief associated with demand energy.

Mr. Bianco: Let me speak to the size of the market for a minute, there are over 13.5 million permanent type pools here in the US. We believe that we can capture a substantial portion of this market over the next seven years, potentially as much as 28% or even more if some of the demand assumptions we are seeing are accurate. What that looks like in sales revenue for this first generation is something just shy of about four million units in sales or just short of \$750 million in revenue after accounting for cost of goods. Now factor in the recurring \$65.00 annual charge for the user interface. We think as many as 60% of buyers or more will elect to purchase the user interface to really unlock all of the unit's value added functionality and if that's the case that could be another \$143 million in revenue every year. The software side has margins near 77%, so that's potentially a lot of revenue. Therefore, we are excited about that and we haven't even talked about how the device addresses the residential HVAC market which could account for an additional 23 million more potential unit sales based on a market size of about 85 million homes that have a central HVAC unit and then add in revenue for the use of the user interface annually, anyway you see the potential here and we are just getting started. The technology is ready for market right now and incorporates a smart load algorithm that learns consumer HVAC usage. These numbers are achievable and of course, part of the equation is implementing our marketing strategy which we are working on with our marketing communication partners USFI. USFI Marketing and Technology Solutions are uniquely positioned to help grow Attune and they have been assisting Attune since

2007 or 2008. They are shareholders as well; they have skin in the game to the tune of \$83K so they have a financial interest. In fact, they helped grow Metro PCS from a four person company to a nearly four thousand strong highly competitive pre-paid cellular provider. Beyond the US market, the European market looks much the same. It is configured a bit differently, but the European market is something that we are looking at as well. Beyond Europe, we are looking at the Asian market when we are ready as well and we have a tremendous amount of demand and interest looking in that direction right now.

CEOCFO: Will Attune RTD focus on marketing its product to the utilities, pool sale and service companies or add consumers to the mix?

Mr. Bianco: Yes, all of the above, our focus initially started out with the consumer and then of course as a company you are sort of driven to follow a path that drives you to revenue as long as those opportunities are aligned with the firms strategic direction, which it was in our case. That path led us to the utilities and a pilot program with a major utility provider which also provided us with some revenue. The utilities are a great path because that is the shortest path to the consumer, but it was not our first path. It was actually a back-of pocket plan, but when the opportunity presented itself, we understood its value and we needed that path in order to get the technology to where it is today, so it made good economic sense. The technology is consumer oriented and designed to give consumers the tools they need to save money, but incorporates a tremendous amount of added value functionality in the user interface that allows us to give consumers the power to do so much more. BrioWave technology is intended to be an essential part of the smart grid infrastructure and is ZigBee enabled as well but right now, the focus is on marketing to pool techs and service companies because they have pre-existing relationships with the consumer so they are in a position to positively influence sales, but we are working

closely with a few major utility providers as well, so stay tuned!

Mr. Davis: For the consumer, the device is dynamically changing the daily run times of the pool circulation pump, this in turn lowers the consumers electric bill. In addition, the device has a lot of other added value that is a tremendous benefit to the end user. The consumer can access the UI from a smart phone, iPad or laptop and remotely be able to change parameters on the fly. If they had a second home in Florida and lived in Palm Springs, they could still manage their electrical consumption from their laptop. Our technology is extremely unique in that it will interface with any other technology that is on the market as far as pool control systems, or replace them. It has the ability to look at targets and accomplish those targets, but still allow a consumer to override if there is extra filtration needed. There is a ton of functionality that is built in that allows that to happen. However, the device will keep track of anything over the norm and throughout the 365 days of the year, the device has the advantage of recouping and removing that excess that was once there in order to give even further savings to the consumer.

Mr. Bianco: On top of all of that, as far as we are aware of, there is no other competing product out in the marketplace that does what the BrioWave technology does. We are leveraging science and technology and doing something no one else is doing, so as far as we know right now, Attune RTD has first to market advantage and rights to say so.

CEOCFO: Can your BrioWave technology be installed in a home without a pool?

Mr. Bianco: Absolutely! As we have discussed, we have a world class platform that is both scalable and flexible. The technology has evolved and matured over the past five years. Where it started and where it ended are worlds apart. Attune RTD is an innovative forward looking organization and In another five years we have great expectations for this platform and plenty of room to evolve

and do much more than it is currently doing right now and not just in a residential setting so we are also looking at commercial here too. The focus has been on the pool for the moment but as we stated, the technology has an intelligent load cycling algorithm built in also, and there's so much more to come, this is the first chapter in a very long book. There's potential here to bring in other home devices as well, we are just getting started.

Mr. Davis: The platform is definitely built to scale up and to do more things as we go down this path.

CEOCFO: Who would install your product?

Mr. Davis: Right now we are looking to certify people. We just finished a web page to start getting people to sign up that might be interested in becoming certified installers. We teach the process in order to install the device, and utilize pool technicians, people who are currently working in the pool business that go out and service, repair / install equipment. We are also looking at possibly getting involved with local colleges. We have had some conversations with the college community to start educating people and offer courses that talk about energy efficiency and demand energy and at the same time teaching people a trade. They can come out of the certification course and start their own business. Individuals who become certified can order product directly from us. Once they have the education and know-how, they can go out and start installing the device and Attune RTD can start building a community.

We are definitely interested in building awareness and having people become educated on electricity use and what that equates to as far as sustainability. We have developed calculations that show the metric tons of carbon dioxide our device has currently removed from the environment in the last year and a half, and if we were to multiply that by a hundred thousand devices, what that would equate to.

Mr. Bianco: Shawn hit on some very good points and I am going to build on a few in no particular order and also talk a little about how we are defining ourselves because a lot of businesses pigeon hole themselves by improperly or narrowly defining themselves. As Shawn said, this is not a pool filtration controller; this is a Smart Energy Management Controller. Attune RTD is not in business set up to manufacture pool timer technology either, we are an entrepreneurial innovative forward thinking technology company currently developing Energy Management technology that is small and flexible, that relies on innovation, and it's that concept not only drives our business, but differentiates us from the rest of the corporate behavioral thinking pack.

As far as the pool professionals and the type of people that will install this device, Shawn has developed a great training program called www.briobootcamp.com which we are utilizing to properly train people from electricians to pool techs to install this technology. I'll say this, Shawn is one of the best electrical engineers in the world, he's a great visionary, and as a former educational professional, he's more than capable and qualified to teach other professionals and help put in place a great support network. Those are big words, and anyone that knows me knows how critical I can be, so I say that with the utmost in confidence. Let me also say this, we have a tremendous amount of demand for the technology right now, not just from the utility industry, but also even stronger from the consumer side, with more and more emphasis now on the commercial side as well. That is another business opportunity that you will hear us talk about later, but www.briobootcamp.com is really an exciting school for professionals who want to drive more revenue right now and a place where Shawn can help set them up for success. We have some incentives right now so I want to encourage everyone reading this material to visit www.briobootcamp.com to learn more about those.

On another front, Attune is also working with personnel from the City of Palm Springs and working hand in

hand with the Coachella Valley Economic Partnership (CVEP) to grow the business and create investor awareness; these are great professionals that can provide business leverage! I want to finish by saying that where we are in California, I can tell you personnel from the City of Palm Springs as well as from CVEP and local leaders and stakeholders definitely care about keeping businesses here in California and for that, we are grateful because they are a tremendous resource that we are leveraging right now. We are also working with city officials for the purpose of becoming a qualified vendor participating in the PACE Program, which is the Partnership for Clean Energy that allows access to funds granted under assembly bill 811. We are also working with local officials to gain approval and to work through the Sustainability Department in the City of Palm Springs.

CEOCFO: What is Attune RTD's revenue model?

Mr. Davis: Currently, we are looking to generate revenue through direct sales, through the consumer, or through the technicians that we train. They go out and buy the device and sell the device themselves and install it. There is also our relationship with the utilities and how our product makes sense for the utility to develop programs whether it be rebate type programs or other type programs and incentives the utility company might come up with. We can also go direct to the consumer. We have a great deal of experience at this point working with the utilities and understanding their needs. We felt from the very beginning that we developed a product that made great sense for the generation side, the utility side, and the consumer side, so really the revenue model is all of those depending upon what kind of programs there might be in different markets.

CEOCFO: What is the financial picture of Attune RTD today?

Mr. Bianco: Let me address that by first looking at the market and making some assumptions and then we'll talk about where we are today. As I said, I

think it is achievable that we can gain 28% or even more of the market in the next seven years and what that looks like again in terms of unit sales and user interface revenue is a figure that approaches a little more than eight hundred and seventy million dollars using a ground up or grossing up approach of the statistical information that we believe is accurate, information that's somewhat subjective, but still relatively accurate or as accurate as it can be based on the consumers we have surveyed. The internal financial picture is this, we have real technology, and unlike many OTCBB's, we are just now generating real revenue, it's not a lot, but it's a start down the right path, everyone has a starting point, this is ours. Our operations continue to be financed through Private Placements, we have cash in the bank, and we will continue to actively engage investors up until we are self sufficient, with that said, we know what needs to be done. We are working with personnel from the City of Palm Springs, CA and hand in hand with CVEP. CVEP has relationships with the investment community and their sweet spot for helping companies raise cash is somewhere between \$1 million and \$5 million, Wes Ahlgren, Chief Operating Officer and Ezekiel Bonillas Managing Director of the Small Business Development Center have been incredibly helpful and we are thankful these smart professionals are working with the company because they are opening door after door for us which would have been difficult if not impossible on our own, they're amazing!

CEOCFO: Utilities are very protective of their revenues; how do you convince them that the BrioWave is a benefit to them as well as the consumer?

Mr. Davis: Utilities buy energy in the future. They buy a bulk of energy at a low rate. What they are counting on doing is buying in excess. Then at crunch time or peak time in a demand response event, whether that be one time a year or four times a year in the winter or the summer, they would like to sell the excess back into the market at a peak time rate and that is how they make their money. If we are

looking at that model, we could look five days into the future and predict what the temperature is going to be and give the utility a window to look into and see the expected energy consumption of each device and the sum energy consumption of all the devices. Therefore, we can give them a very accurate picture of the future. We can tell them on Monday what is going to be consumed on Friday. Because of that ability it allows the utility to buy energy and hedge energy smarter.

Mr. Bianco: It comes down to a matter of trust and reliability, having an understanding that people will do what they say they can do and follow through and we believe we have done an excellent job in executing that, which is why we earned the pilot. Everyone is protective of their revenues these days and poor relationships can obviously have a negative impact to the bottom line, so building good long term relationships are key towards profitability and sustainability. There's zero tolerance in the business community today towards leaders who can't be trusted to follow through or fail to execute and deliver on their value propositions. Therefore, we had a lot to prove personally and professionally. The technology over the past two years has earned CSA approval which is the equivalent to the UL standard, actually they are interchangeable and is FCC approved. The technology has undergone extensive functionality and endurance testing and we have submitted it for testing to National Technical Systems (NTSC). The bottom line is that any technology just has to do what you say it will do and live up to its claims and our technology lives up to its claims and does what we say it will do.

CEOCFO: I would imagine that your product could have an affect on the housing market.

Mr. Bianco: Sure. Here in California that is one of the reasons for the PACE Program that we are looking to get qualified as a vendor for, because the program is designed to help property owners purchase energy efficient products like ours. We have a low cost right now solution in the Brio-Wave technology that helps consumers save money today not tomorrow in a package that can pay for itself in as little as eighteen months, helping people become more efficient and keep more of their hard earned money in their pocket for other home improvements and I think that benefits consumers and the housing market making energy efficient homes

Mr. Bianco: Let me speak to the size of the market for a minute, there are over 13.5 million permanent type pools here in the US. We believe that we can capture a substantial portion of this market over the next seven years, potentially as much as 28% or even more if some of the demand assumptions we are seeing are accurate. What that looks like in sales revenue for this first generation is something just shy of about four million units in sales or just short of \$750 million in revenue after accounting for cost of goods. Now factor in the recurring \$65.00 annual charge for the user interface. We think as many as 60% of buyers or more will elect to purchase the user interface to really unlock all of the unit's value added functionality and if that's the case that could be another \$143 million in revenue every year.

- Tom Bianco

more desirable. With resources from the program, we can reduce pay back substantially.

CEOCFO: In closing, what should potential investors remember most about Attune RTD?

Mr. Bianco: First, We do not want to pigeonhole ourselves and say that this device is made specifically for the pool or even suggest that Attune RTD is just a pool timer manufacturer because casting that perception is far from reality here. Let me go back to year 2007 when we first defined our business and drew up the business plan. We had a vision then and that vision for the technology has evolved

over the past several years because we have leveraged newer technology, and brought in some very intelligent people who have made tremendous contributions and have helped us overcome some difficult problems such as our Chief Technology Officer Huiyou Zhu. Also, electric vehicles were part of that vision and we still envision even greater ideas for the platform to come. Attune has leveraged valuable relationships with key players in the industry and our solution is much better off today than ever before as is the company, but what we have now is a very clear beginning of the vision. Investors need to know Attune RTD is an innovative technology company run by skilled entrepreneurial managers bringing to market a Smart Energy Management Controller and that RTD stands for Research, Technology, and Development, and our tag line is, "always listening". So we are always looking for new products to place in the pipeline. We have technology that manages energy intelligently to make your devices work smarter not harder. We have futures built into this technology and its sole purpose is not about pool filtration, so Attune as a company has a very exciting future ahead of us. We have a great story.

The company has no commercial bank debt to service, it has affiliate debt but we have managed to navigate through one of the steepest business recessionary cycles since the great depression. We think we have a great capital structure with about 30 million shares issued and outstanding on 59 million shares authorized and unlike many OTCBB's, we have some revenue and our technology is ready for market. As a seasoned investor myself, I look for emerging undiscovered growth companies that have the potential to deliver a substantial return on investment given the risk reward tradeoffs because that is what investors really want, they want to make money and we understand that and we believe

that we can deliver that while being a great asset to the business community providing good quality jobs at the same time and that's a great success story for everyone! We have some challenges ahead but I am confident we are fundamentally on the right

path and any investor comfortable in taking this risk could well be rewarded soon in my opinion. We are coming to market with a great solution and let me say this, if we had 1,000 units right now I'm confident we could sell them quickly, 100,000 units would be

more challenging but that that's a logistical problem we look forward to overcoming! Anyway, we have a great track record and now it's time to deliver, so get on board the train before it leaves the station!



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