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With their BrioWave 175p Energy Management Device now Out in the Field for Three Years with Good Results and a Pilot Program with a Major Utility Completed, Attune RTD is well positioned for Growth as they Begin Commercialization

Green Technology (AURT-OTC: BB)



Shawn Davis
Chief Executive Officer



Tom Bianco
CFO & Controller

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Executive Bios: Shawn Davis Chief Executive Officer

A licensed electrical contractor in the state of California and business graduate of Azusa Pacific University, Davis brings disciplinary mindset to his leadership of Attune | RTD. For well over a decade Shawn has pursued an everexpanding career leading the engineering and design of lighting, electrical, 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 33 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.

About Attune RTD (AURT-OTC: BB)

Attune RTD is smart energy management company that is an environmentally friendly, green thinking; value oriented socially responsible company that provides innovative solutions for consumers that eliminate inefficiencies, resulting in energy efficiency that translates into savings.

Interview conducted by: Bud Wayne, Editorial Executive CEOCFO Magazine

CEOCFO: Mr. Davis, would you tell us what has transpired over the past vear and where Attune RTD is today? Mr. Davis: We have made many advances over the past year. We just finished a pilot program with a major utility in the state of Texas. Product one, the BrioWave 175p, has been in the field now for about three years. The device went though an extensive field test and has shown some very. very good results as far as what it does and how it manages energy. Now, we are at the point where we are putting product one, the BrioWave 175p on the shelf. We are talking with and lining up distributors. Currently, we have Desert Electric who is in the Coachella Valley. I believe that they currently have four stores and serve the entire Coachella Valley. That is probably a population of three hundred thousand. We are actually delivering product there now. We have sales through them and we are looking to build the market and the awareness.

CEOCFO: What is the BrioWave and what does it do?

Mr. Davis: The BrioWave is an energy management tool. One of the

things that we really need to make certain of is that people understand that Attune RTD is in the energy management business. We are not primarily developing pool product. However, the first product that is going to market is tied to a swimming pool circulation pump. It manages the energy consumption of that pump by looking at ambient air temperature and other influencers. It dynamically, alters and changes its run time as needed to give the swimming pool the necessary circulation, but also to save energy. In doing so, there are great benefits to the consumer and to the utility.

The product on average can save approximately forty percent on energy costs associated with the pool motor.

However, when tied to a time of use rate plan the BrioWave technology, by controlling the pool pump, could save on whole home energy costs. We have documented forty three percent savings on whole home energy cost by having the consumer switch to a time of use rate plan after our device was installed. There is much to be gained by the consumer as well as the utility. It is really a win, win

situation. Time of use is going to be the way that we all pay our electric bill at some point. Utilities are starting to offer it depending on what state you are in. There are some states and utilities that are more aggressively pushing it than others, but Texas, Arizona and California are huge markets for time of use rate plans offered by the utilities.

CEOCFO: Is this a "consumer installed" device or do they need to go their electric company to get permission to install it?

Mr. Davis: No, we deal directly with the consumer. We have relationships with the utilities. We continue to nurture and grow those relationships. We are going to market right now dealing directly to the consumer. However, retail stores and distributors are the primary path to the consumer. The consumer does not need the utility in order to see the savings. How Attune

RTD manages energy makes tremendous sense for the utility and the consumer. It is really a win - win for everybody. The consumer can either install the device himself or have it installed by a qualified technician. We encourage people to go to a time of use rate plan; because there are "whole home" savings that are in pretty large numbers with documented savings of forty-three percent. However, people who have a swimming pool would not consider going to a time of use rate plan unless they had our device. That is because with any other timer or controller, they do not have the capability of our device to have a target driven run time. The BrioWave is not a mechanical timer that may go off because there is a power outage and come back online

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and not have the correct time setting. In that case, "time of use" could be your worst enemy. However, with our device, we make time of use the consumers' best friend.

CEOCFO: You are in one state right now. How big is the pool industry?

Mr. Bianco: Its big, approximately fifteen million pools, and the HVAC component which already sits in each BrioWave addresses closer to 90 million residential homes. This market alone was forecast to top more than 3.8 billion in 2011, but it didn't take into account the demand by consumers for low cost right now technology like our BrioWave solution that can pay for itself inside of one year. This platform is highly scalable, it's a very powerful six laver circuit board, it's a small computer and in the future Attune could target water heaters and much more broadening its use. We are excited about this technology because it could be developed to handle

all of the major loads in the home. including those attributed to new hybrid automobiles where our software and hardware manage the load in a manner that allows a homeowner to plug in their vehicle, walk away, and be assured that they purchased energy for that vehicle at the lowest possible price while efficiently managing load across multiple devices at the same time. We were issued a utility patent and the company owns the intellectual property including the more than 30,000 lines of code on the device. The company has just made its first shipment in California and the market looks very promising!

CEOCFO: Would you tell us about the milestones that you have accomplished over the past year?

Mr. Bianco: Sure, in 2012, the company showcased its BrioWave technology at the Western Pool and Spa Show in Long Beach California. We had an excellent turnout and we are following up with numerous interested parties right now as we start launching the product. Secondly, we launched a new product website, www.briowave.net, which has a great deal of product information available that consumers would

be interested in looking at in relation to savings, the value proposition and its qualitative functionality that's included. Thirdly, we have had excellent endorsements from our local community, including The Coachella Valley Economic Partnership and iHub. We brought in a large vendor with multiple locations throughout the Coachella Valley. As I said earlier, the company just delivered twenty units from a sale to a vendor and we have vendor days scheduled to promote sales in the next few weeks. We installed technology in Texas, Arizona and throughout California and we are bringing in new vendors. We installed three devices in Yucaipa, California, a device in San Marino, California, and another device for a vendor in Lake Havasu, Arizona. We sold a device in Palm Springs, California, We installed a device for a vendor in Indio. California and another vendor sold a device that Shawn and I installed in Los

Angeles. That is on the sales front and we are really excited about that, because we continue to open new sales channels. When people go to product website the www.briowave.net they will see that we have a small video of about two and half minutes in length where people talk about the company and future expectations and so on. In addition to that, we have just recently moved into new manufacturing facilities at the accelerator campus in Palm Springs. We are excited about that.

We opened discussions with our circuit board vendor pertaining to what we feel are some very good payment

terms moving forward, developing, and manufacturing the technology. Remember, BrioWave technology is only the beginning; the entire vision is much broader and deals with more than just residential pool loads. Attune is a solutions company and we are building our base. Attune has spent years developing software, hardware and maintain servers in the cloud on an Amazon server bank. This technology allows a participating utility the ability to shed load in numerous ways either by zip code, by region or in other manners, it is quite flexible and highly scalable. Pools are important because it is the second largest energy-consuming load in the household. On the consumer side, the tech-

nology is pretty much plug n play, its easy to program if necessary and updates can be performed over the internet automatically or by plugging in a USB and then the device does everything automatically. Our circuit board comes from our long term vendor here in Milwaukee, Wisconsin that we have been working with since 2008. We do the assembly and the testing right here in Palm Springs, California. We have received some very favorable terms that we feel will help us on a "go forward" basis with future sales.

The company has moved from the development phase, and as Shawn

alluded to, we are now in the manufacturing and sales phase. We are very excited about that. In 2012, we had a great meeting with a very large vendor, Leslie's Pool. This organization consists of close to 800 locations throughout the U.S. so we get excited about them. We have some follow up work to do there, but that is something that we are looking forward to as we speak right now and we are headed back in that direction.

We feel that our revenue growth will be derived from several streams, including direct retail channels, sales through appropriate installation companies and from regional and global

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licensing agreements that Shawn and I have been working on over the past year.

As I said earlier, the company has a patent that has been granted and we have others planned that we are working on that are in various stages of development. There is no one that we are aware of that is doing anything like what Attune is doing.

Here are some more stats, According to AP Tierney, revenues within the energy management market are set to rise more than threefold by 2018 to an excess of \$1.5 billion. The sector itself looks very attractive. The com-

pany itself is forecasting revenues of about \$3 to \$4 million in the next twenty four to thirty six months. Management feels confident that we have a lot of potential moving forward and that right now is a great opportunity for investors. The technology sector dealing with energy management is very attractive. In the 2013 energy outlook, the US government forecasts that the national electricity demand would increase by almost thirty percent by 2040 and that is a big number from 2011 levels of three point nine billion kilowatt hours. That does not even account for unforeseen political or socioeconomic events. You can imagine these growth levels and what

> affect that they are going to have on prices in the future and that bodes well for BrioWave technology because it's a smart energy management device that is designed to save consumers money. This backdrop unfolding right now makes our technology that much more attractive to consumers and investors. Couple that forecast with the unrelenting price rise, each doubling or more by 2040 and a Brio-Wave device that retails for less than \$600 that can pay for itself in less than a year makes even greater economic sense. Feed stock alone for electricity production, natural gas, nuclear and petroleum, these are big drivers moving the industry right now. As I said earlier,

AP Tierney forecasts that the market will rise threefold by 2018 to an excess of about \$1.5 billion. As Shawn said, utility companies, in some regards, need third party companies like Attune because energy management and efficiency makes great economic sense here. The value proposition for Attune technology is this savings of 40% to 60% and is guite attractive to the consumer and that positively affects the utility provider and generator. In our opinion, the benefits of energy efficient products like our Brio-Wave low cost right now solution is a much more attractive alternative to consumers and utility providers than the high cost proposition and dangers

of building new Nuclear Generation plants, so we think as we launch this technology that others will agree as well.

CEOCFO: Do you have everything in place to keep up with demand, should ramp up be necessary?

Mr. Bianco: The answer to that is yes! We are using a very reputable manufacturer in Milwaukee, Wisconsin. They have the facilities, not just in Milwaukee, but have the ability to be able to ramp up production relatively quickly to meet demand if that is the case. That is great problem for us to address, but we are well positioned to handle that.

CEOCFO: Are you looking at selling these products worldwide and is it protected on a worldwide basis?

Mr. Bianco: Our focus has really been on the US for the moment. We have a great plan that has a start in California and then extrapolates and extends outwards into the rest of the market across the U.S., such as Arizona, New Mexico, Nevada, Texas and such. This technology is not just relevant to homes in warmer states, it's about a problem in every state, so it has widespread application and is relevance in every state. Where temperatures drop below freezing, our technology has a proprietary freeze mode algorithm onboard that allows for savings while protecting equipment as well. As we start to grow this technology, yes, we are going to focus moving into other markets as well outside of the US. The European market looks guite similar to the US market. Therefore, there is a tremendous amount of growth in that market as well as in Asia and other markets, the future looks quite promising and exports in the sector are forecast to outpace imports.

CEOCFO: Are you looking at home builders as potential partners?

Mr. Bianco: Absolutely. Home builders are incorporating technologies like ours; it just makes good economic sense, because people are now expecting and looking for these types of technology to come with a modern home. They are incorporating energy management systems that eliminate inefficiencies and curtail excess en-

eray consumption. People care now because energy costs are having a big impact on the home budget and so people are very cognizant and looking for low cost energy efficient homes that work for them and not for the utility provider. BrioWave technology addresses that problem. You are seeing more homeowners and consumers interested in this technology because it offers such great economic and qualitative benefits to the homeowner. It is an attractive piece of technology, because it is a low cost, "right now" solution that addresses a very pervasive problem. Adding to that, it can pay for itself in less than a vear in some cases and is built to be both flexible and scalable for future improvements.

CEOCFO: Do you sell directly to consumers through your website and what is your growth plan? Is it through distributors?

Mr. Bianco: Our sales plan is really about building key distributors and sales channels. We are looking at building sales channels with vendors that have a well-developed distribution network that can get the technology in the market. We are always going to be a seller of last resort, but we are really looking at pushing customers to our sales partners and developing sales channels with key partners, that's the focus.

CEOCFO: When someone purchases this product when can they expect to see a return on their investment?

Mr. Bianco: The return on investment for the consumer can be as little as eight months, depending on their set-

Mr. Davis: It could be eight to six months, because each electrical consumption pattern or habit is different, home to home.

CEOCFO: Why should potential investors and people in the business community consider Attune RTD?

Mr. Bianco: That is a great question! There are several reasons. Attune RTD is the leader in the design and development of proprietary energy management systems that eliminate these inefficiencies. That by itself should attract potential investors. The

companies patented technology represents a compelling investment opportunity for investors. There is growing admiration for our BrioWave technology; not just in the consumer sector, but also in the business-tobusiness sector. Therefore, we feel this first product, BrioWave Technology has product appeal. Attune has vears of software and hardware development and there are many markets we are looking at in addition to this market, so there's so much growth potential just ahead of us. We are just in the beginning stages of putting together a comprehensive marketing program. Sales are just now starting. We are just now recruiting reputable vendors. We are in the beginning phases of getting merchandise into various sales channels. We are just in the process of launching the technology and we feel the time frame represents the ground floor and could present a great opportunity for investors. This is a great time to get in. The company has what we feel is a well seasoned managerial team with experience. We have navigated through some tough times. We are out of the development stage and just now entering a brand new phase. With the heavy lifting out of the way, we can really focus on sales. We have a great marketing strategy and business plan that we are just now executing. Investors will have to decide for themselves, however, we believe Attune RTD represents an exciting risk / reward ratio, and is a great ground floor opportunity for investors that want to get in early on a great company with tremendous potential future prospects and growth.

Mr. Davis: Energy management is the future, not necessarily the individual efficiency of a certain product. Solar has been out for a while now. It is a great technology. You are generating electricity from the sun. However, there have been many problems with solar as far as making it affordable. Attune RTD makes solar more affordable to the consumer by how we manage demand and power generation. The BrioWave 175p allows the consumer to use much less of a solar package, but achieve dramatic results through energy management. We help alternative energy sources, such

as solar, become more practical and more affordable. In doing that, there are other relationships that we can develop.

Mr. Bianco: Those were great points that Shawn just brought up. We understand that generators, worldwide, are grappling with the increase in growth as consumption outpaces their ability to deliver viable energy at reasonable prices. Our BrioWave proposition addresses that. We really feel that it is a great solution. Energy management and efficiency is where the focus should lie, it's a better alternative to building Nuclear Generators for a variety of reasons. This is a very scalable program, just one piece of a very large puzzle. BrioWave technology is "smart" technology, which should appeal to investors.

CEOCFO: Are your products developed "in house" or are they through acquisition?

Mr. Bianco: The Company developed these products in house, but now that you mentioned it, we are always looking for other technologies or products that are accretive to the bottom line.

CEOCFO: Attune RTD has a product that is installed on the consumer side, where the utility does not control your savings, brings savings first on pool energy consumption and then the potential for "whole home" savings! That is quite a value proposition.

Mr. Bianco: There is so much on the value proposition side. You are one hundred percent right! This is tech-

nology that is at a low cost right now solution built for the consumer that addresses a very important need in the marketplace. It helps them save money and it helps utility providers not just with managing a curtailment event, but in delivering value to their customers through innovation. However, within the BrioWave platform there is a great deal of added value and value added functionality. As Shawn said, we have a dashboard in the cloud. We have a mobile computing solution that we are working on that gives people accessibility through their cell phones or a computer anywhere in the world. Right off the bat, it has the ability to save people money. We are focused on consumers' needs but account for utility requirements and future upgrades. This is a consumer driven piece of technology that is made right here in the US, by our engineers that take a lot of pride and are passionate about helping people. This is not just a value proposition, where the company's focus is solely over profits, but more a passionate endeavor that presupposes that we are doing something good for people and that's good for business. We have a great managerial team. We are excited and we have a great future ahead of us. We are convinced about that.

Mr. Davis: That was a great comment and question! Tommy wrapped it up very well. We are providing the consumer immediate savings. Attune RTD is allowing the consumer to save money through intelligently controlling

and managing energy. In doing so, we create a situation in which both the consumer and the utility become more energy efficient through Attune RTD's energy management!

Mr. Bianco: When I said that this technology is made right here in the US, keep this in mind that it is a low cost, "right now" solution that is also very cost competitive to having it sourced overseas. I know that some investors might say, "Why not source it to Asia?" There might be some nominal cost savings, but the answer to that is that this vendor that we are using here in Milwaukee. Wisconsin. which happens to be a very reputable, very large vendor which we have a very good relationship with, is also very cost competitive with the Asian solution. We are very comfortable where we are producing this technology. As time goes on we are going to be able to get cost savings through volume and scale. We have six years' worth of development time building some complex code that is robust, and we have a partner that we can trust not to purposely redistribute that code and that helps us sleep better. We are very excited about the future. We believe that we have an excellent future.



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