

Tobin Smith: Hey, this is Toby Smith with the Next Big Thing, and there is no question that my friend, John Blaisure, who, by the way, we work with, I'm a shareholder, and let me tell you why, because their sound, the **MAXD** sound, is unlike something I ever heard. We've had you on our show before. You've got some new stuff to tell us.

John Blaisure: Yep, I do.

Tobin Smith: Like the last time, you said, "Well, I think we're gonna be working with Qualcomm, we're almost getting close."

John Blaisure: Yep.

Tobin Smith: What can you say about Qualcomm now?

John Blaisure: Well, we are now actually working in the chip on the Qualcomm development phone, and the MAXD process is sounding fantastic.

Tobin Smith: Wow. So, tell us about the MAXD process as it would work off of a cell phone –

John Blaisure: Well, because of the –

Tobin Smith: – because this is high-def sound, okay?

John Blaisure: – that's right.

Tobin Smith: I'm gonna tell you right now, this is high-def sound, and once you have high-def sound, low-def sound sucks.

John Blaisure: That's right. So, because we're going at the chip level in the Snapdragon DSP with Qualcomm, we now have the ability to manage up to eight audio streams simultaneously at the same time, so we now can manage streaming audio, streaming video, all audio/video content that's on the device.

Tobin Smith: Wow.

John Blaisure: We can manage the inbound/outbound cellular transmission voice call and clean that up. We basically control the entire audio environment of that device and make it sound 100 percent better.

Tobin Smith: All right, so this battle that's between Samsung, the android world and Apple and the IOS world, they're battling over various features, but to be able to have high-def sound is one of those features that one of those guys are gonna want.

John Blaisure: That's right.

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- Tobin Smith:* I'm assuming because you're in the Qualcomm chip land and getting close to that, that Samsung sits there in android, but they would be the one who'd say, "Yeah, I want to include that," right?
- John Blaisure:* That's right, because the experience for the consumer when they hear the audio across the device is an absolute, immediate consumer-buying response, it is that significant.
- Tobin Smith:* So, _____ for Samsung and android to be able to sell and offer the high-def sound, but there's another thing. Wait! John, there's more.
- John Blaisure:* There is.
- Tobin Smith:* Also, because you burnt into this chip, essentially your song store –
- John Blaisure:* Right –
- Tobin Smith:* – the phone itself –
- John Blaisure:* – the music, the music.
- Tobin Smith:* – becomes its own song store.
- John Blaisure:* That's right, so we now have the ability to embed the music store on the chip, so what that does is that creates a whole new ROI for the OEM –
- Tobin Smith:* Return on investment and original equipment manufacturer. We don't speak acronym here, John.
- John Blaisure:* – okay, that's right. So, basically, everybody has a whole new environment in how to make money and partner with us.
- Tobin Smith:* Here's the big problem that's happening for the carriers, by the way, so everybody messages, right? You gotta pay for messaging. Well, people are going to apps so the text messaging revenue is going down, so if I'm a carrier, I want to be able to, if someone heard a song – radio or CD or whatever – or searched it and they want to buy it and they download it right now, I want to get a piece of that.
- John Blaisure:* That's right, and _____ embedded on the chip, we can literally have an entire full screen of the music store on the device as soon as the consumer buys it, and then they can literally just push on it and start buying music.

Tobin Smith: When they buy it from you, they're gonna get it in high-def sound, in MAXD, whereas –

John Blaisure: MAX _____.

Tobin Smith: – if they bought it from iPhone, they get that lousy –

John Blaisure: That's right.

Tobin Smith: – crappy MP3 malarkey, right?

John Blaisure: That's right.

Tobin Smith: So, that's the big difference. All right, so when we come back, we're gonna talk about then the other big deal that you've got coming, so this thing is starting to happen.

John Blaisure: It is, it is.

Tobin Smith: All right, man. Look, the next big thing in sound, I'm telling you, ladies and gentlemen, is high definition sound.

John Blaisure: That's right.

Tobin Smith: Do people own the patents _____ you have like 47 patents _____?

John Blaisure: We have over 60 now filed.

Tobin Smith: Okay, the next big sound is right here.

[End of Audio]

Tobin Smith: This is Toby Smith with the Next Big **Things**. I'm here with John Blaisure and **MAXD**. All right –

John Blaisure: **You got it.**

Tobin Smith: – we've been talking for the last six months about the fact that your Qualcomm chip is coming and now you're actually in a chip. That's exciting. We've talking about **InComm** and company that actually is the biggest \$20 billion company no one's ever heard of right?

John Blaisure: Yeah, I think it's even bigger now.

Tobin Smith: Is it bigger now?

John Blaisure: Yeah.

Tobin Smith: That does all these gift cards, and so now you have an exclusive where you're putting a music download card into how many retail stores?

John Blaisure: Well, we started the rollout in June, we'll roll out in about 10,000 locations, and we'll continue that rollout to the total of about between 60,000 and 80,000 locations by December of this year.

Tobin Smith: Wow. Now, you're only going to the places where they're not selling iPhones –

John Blaisure: That's right.

Tobin Smith: – _____ –

John Blaisure: Right now, we're –

Tobin Smith: – _____ **iTunes**.

John Blaisure: – right now, we're gonna roll out in every retail brick-and-mortar store where we are the only music card solution.

Tobin Smith: As the potential customer, will I be able to listen to the music? How will I know all the good stuff about MAXD?

John Blaisure: We're actually looking at different marketing technologies with **QR** codes so that people can actually demonstrate the audio from their device to QR codes.

Tobin Smith: Yeah, because I mean when you hear it, you believe it.

John Blaisure: Everybody does.

Tobin Smith: Yeah, you gotta hear it, and then you believe it.

John Blaisure: Everybody does.

Tobin Smith: So, can you talk about how the revenue split goes or what the model is?

John Blaisure: Yeah, I mean we basically share our revenue 50/50 with our partners. Our business is to get our technology out there, and because of this InComm launch and the massive retail exposure we're getting, we're also gonna be able to sell music and make a buck, too.

Tobin Smith: Right, and how many songs are you gonna have? I know you're uploading songs like crazy.

John Blaisure: We are, we are. We're over 2 million now, and we continue **adjusting**. We'll have over 10 million songs in the next 90 days.

Tobin Smith: All right, and so you have sort of the three-legged stool here. You have a Qualcomm chip, which they would pay a licensing royalty per chip, I assume.

John Blaisure: Right.

Tobin Smith: You have a music store inside your phone or your tablet or your android product, assuming, you know –

John Blaisure: Right –

Tobin Smith: – _____ –

John Blaisure: – assuming they want to do it there.

Tobin Smith: – _____ want to do it there, which also you have revenue from the carrier who would be selling this –

John Blaisure: That's right.

Tobin Smith: – and then the third level is you have actually your music store in a card that you buy in a retail store, you go online, you choose the music you want and you download it, or you do it right from your phone, right?

John Blaisure: That's right, that's right.

Tobin Smith: Okay, and that's another revenue stream.

John Blaisure: Yeah, and what's important to understand is that the InComm gift card digital music business is a billion-dollar-a-year business, and our rollout into these stores will put us in the 25 to 30 percent of that billion-dollar market, and we'll be the only gift card solution in that retail brick-and-mortar store.

Tobin Smith: OMG.

John Blaisure: That's right.

Tobin Smith: That's pretty hot stuff. All right, so like I said from the beginning, once you hear high-def sound, low-def sucks. It's a very scientific term. It sucks because they take all the good stuff out. When you record, you compress, you take all the good stuff, like an album like John and I grew up with, these things, there were albums and there was vinyl, and you heard all the sound. So, now, you've put all the good stuff back in. Once you hear high-def sound, you gonna say, "I want my music in high-def," which means I would download –

John Blaisure: You'd download the app –

Tobin Smith: – the MAXD app. I'm starting to stutter now – that's the end of the day – and the whole idea here is that if I'm selling benefits and features on cell phones, tablets, stereos, car, you know, I want high-def sound, and the place you get high-def sound is right here at MAXD. Good to see you, man. Keep going –

John Blaisure: Thanks, _____.

Tobin Smith: – keep charging.

John Blaisure: Thank you.

Tobin Smith: All right.

[End of Audio]