

To: [REDACTED]
From: Ted Waitt
Sent: Tue 3/30/2004 3:31:40 PM
Subject: GMAX

Thought you'd get a kick out of this. The following is excerpts from an email I received. We have a product line that uses your moniker. We also have the trademark on GMAX, so we can discuss licensing terms tomorrow :)

See you tomorrow, god that sounds good to me.

Enter the GMAX 2100. During the development of the 2100, Rikki and I coined the term GMAX (Gateway Maximum Audio eXperience) as a way of describing to the public the advantage of Gateway Audio.

Since the launch of the GMAX 2.1, we have gone from a 22% attach on 2.0 to 2.1 speaker upgrades to a 38% attach on 2.0 to 2.1 speaker upgrades, and we have done this with no advertising to speak of. This product has a cost of \$29 and sells for \$99.

Following the successful reception for the GMAX 2.1, we began development of the GMAX 5100, a 5.1 surround product with unbelievable sound and value.

Great brand touches for GTW, while promoting the GMAX name.

This is an exciting time, and I look forward to the challenge of growing Gateway GMAX Audio to a \$200 million dollar business by this time next year.

PS, I listened to the GMAX 5.1's last week, and they really were incredible.