



October 16, 2003

Dear Valued Partner:

In recent months, Russound has actively addressed the growing industry-wide issue of unauthorized sales. We have met the challenges head on through various means and attempted to address the issue constructively and with open communication. Among our methods have been general mailings clearly outlining our policy, specific letters to unauthorized parties, policy statements on our website and press releases. Ultimately and as a last resort, we have pursued legal action where appropriate.

First, we felt it was important to determine the scope of the problem and learn exactly who the offending parties were. As a result, in June we created an entirely new position within Russound- Authorized Sales Administrator and hired Ms. Charmyn Bal. Through exhaustive, painstaking research, Charmyn has thus far identified and confirmed there are twenty-three websites, who offer Russound for sale, are unauthorized to do so and they are clearly aware of that fact. The websites to date are:

[www.audiovideo4u.com](http://www.audiovideo4u.com)

[www.webfeatinc.com](http://www.webfeatinc.com)

[www.bass-home.com](http://www.bass-home.com)

[www.priceshock.com](http://www.priceshock.com)

[www.sounddistributors.com](http://www.sounddistributors.com)

[www.speakerhut.com](http://www.speakerhut.com)

[www.thetekhouse.com](http://www.thetekhouse.com)

[www.amatteroffax.com](http://www.amatteroffax.com)

[www.ayselectronics.com](http://www.ayselectronics.com)

[www.avperfection.com](http://www.avperfection.com)

[www.bigbangelectronics.com](http://www.bigbangelectronics.com)

[www.ezalarms.com](http://www.ezalarms.com)

[www.futurehomesystems.com](http://www.futurehomesystems.com)

[www.international-video-audio-wholesale.com](http://www.international-video-audio-wholesale.com)

[www.proactiveelectronics.com](http://www.proactiveelectronics.com)

[www.simplycheap.com](http://www.simplycheap.com)

[www.smarthomeusa.com](http://www.smarthomeusa.com)

[www.soundpros.com](http://www.soundpros.com)

[www.intellahome.com](http://www.intellahome.com)

[www.amerisponse.com](http://www.amerisponse.com)

[www.ocav.com](http://www.ocav.com)

[www.homespeakers.com](http://www.homespeakers.com)

[www.mpsuperstore.com](http://www.mpsuperstore.com)

Please be advised that any Russound products sold through any of the listed websites will not have a Russound warranty or be eligible for *any* manufacturer's support or service. Should we be contacted by the purchaser about any warranty, technical or product support, they will be directed back to that unauthorized party.

Unauthorized sales represents one of the single biggest threats to our industry. Russound is committed to maintaining a leadership role on behalf of our distributors, dealers and their customers as well. If you have any questions, need additional information or wish to discuss please feel free to contact me personally.

Sincerely,

*Chuck Fortier*

Chuck Fortier  
Sales Manager