ZED AUDIO CORPORATION

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Re: THE HISTORY OF HIFONICS

Dear Mr. Alden Stiefel (CEO of Maxxsonics), Lukas Louw (ex Zed Audio partner)

I have read with great interest the "History of Hifonics" on the Maxxsonics web site. Many have emailed me about this and asked me why my name or the name of my company has not being mentioned in this so called history. I truthfully only went to the Maxxsonics site a few days ago and read the PDF. I guess that I know the answer to that question and I have given the same answer to all those who have contacted me. "The management at Maxxsonics, my ex partner Lukas Louw and Helmut Stieglitz are too chicken to simply tell the truth, or at least let the writer know about the gross inaccuracies. It seems that Zed Audio and Stephen Mantz never existed.

<u>Mr. Stiefel,</u> I do not know you as you do not know me. One thing I am 100% sure is that you are aware the Zed Audio manufactured amplifiers for Hifonics from December 1983 until 1995. You are also aware that Zed was owned 80% by me and 20% by Lukas Louw.

Well...... maybe you do not know the exact percentages but that is not important. What I know is that you allow blatant lies to be told by some writer and post these lies on your web site. I shall give you the HISTORY OF HIFONICS IN ITS TRUTH, as I have nothing to hide, where as <u>you do</u>. Why simply <u>not post</u> this big lie on your web site and keep some credibility?

Lukas I have known you for nearly 30 years (July this year will be 30 years). You came to me in South Africa looking for a job way back in the seventies (I confess that I do not remember the exact year). You, Lukas Louw, were simply an employee of Audio Laboratories, My South African company, not yours, just mine. Lukas you do remember (well maybe you don't as you seem to have selective memory) that I traveled to the USA from 1979 and made numerous trips to the States to set up things for my final immigration. You do remember Lukas that I asked you to come with me and I GAVE you, for free, 20% of the new company, Zed Audio Corporation, which was to be started in the USA. I also bought your shares of Zed Audio when you left for New Jersey in 1991, so you made out like a bandit! You may not remember that on one of my trips in June 1980 I was at the CES show in Chicago, and I bumped into Helmut Stieglitz. I had known Helmut for many years through the South African Hi-Fi forum as he worked for the Sony importers. Helmut had left SA in the late 70s for the USA and worked for Visonik/Alphasonik. We got talking and he told me that he wanted to leave Visonik and go on his own. Audio Laboratories was building car amplifiers under the name TITAN in South Africa and I sent Helmut some samples, he liked them and he

asked me to build amplifiers for his then un-named company. THIS IS HOW THE WHOLE HIFONICS DEAL BEGAN!!

I remember the one Saturday sitting at Audio Laboratories (middle of 1982) and Helmut called me and told me he was calling his new company "Hifonics". To me it sounded like a backyard Taiwanese company and did not really gel as a high end car stereo company. I then suggested that we give the amplifiers names instead of model numbers. I consulted with my Mother and Lukas on this issue and we came up with the first three amplifiers, Vulcan, Odin and Thor. 40w/ch, 60w/ch and 100w/ch were their power ratings.

These were NOT conceptualized by Lukas Louw and Helmut Stieglitz but actually by Stephen Mantz – sorry to burst your bubble.

I made several trips to the USA and manufacturing was underway. You and I, Lukas left South Africa on the 4th August 1983 and came to live in the USA..

The new USA Company, Zed Audio had been formed back in May 1982 by me, Stephen Mantz, and this work was done by my cousin, a lawyer from Philadelphia. This was NOT done and had nothing to do with Lukas Louw or Helmut Stieglitz. Lukas had NEVER traveled to the USA until he got on the plane with me on August 4th, 1983. We began manufacturing amplifiers in December, 1983 and in January, 1984 we went to the Las Vegas CES show, where I showed off my BMW 735i at the show with the then new Zeus, 200w/ch amplifiers installed. Lukas you did not show anything, it was my car and in fact I paid Helmut for showing the car not the other way around. In fact Lukas you fail to mention that you got a ride to Vegas in that BMW of mine. You stood in the booth with Stieglitz as I was outside in the freezing ass cold showing off my car.

The drivel about "Lukas and I decided to engineer and market the Daddy of the Gods-Zeus" What an outright lie. Lukas why do you not comment on this lie? Zeus was designed in South Africa, the printed circuit cards were made in South Africa by my good Indian friend, they were put in the 20 foot container with all our worldly possessions in July 1983 and Zeus was produced in December 1983.

Stieglitz engineered Zeus – what a joke, he knows a big fat ZERO about designing amplifiers.

Zed Audio was financed 100% by me, Stephen Mantz. You Lukas put in ZERO money. How did you live in the USA Lukas, with what money? Did it fall from heaven like manna? You Lukas lived with your earnings from Zed Audio Corporation that's how!

Zed was the driving force behind Hifonics, as Stieglitz had little business acumen and knew nothing about amplifiers, as was proved in later years when Hifonics went belly up and contrary to what is posted in this funny PDF, **Matt Coleman bought the assets of Hifonics and Stieglitz was Out**! I had dinner with Matt Coleman and Stieglitz in Las Vegas at the January 1995 CES show. Stieglitz passed no baton to

Maxxsonics, Matt Coleman took it! Tell the truth for once in your lives, Brett Solomon, Lukas Louw, Alden Stiefel, etc.

Stephen Mantz was always the person who flew to New Jersey to meet with Helmut and discuss what Zed was going to build for them, not Lukas Louw. Now how could that be if I do not exist? Stephen Mantz controlled the finances of Zed Audio. Stephen Mantz and Stieglitz made the decisions on what we built for Hifonics. What we at Zed Audio built for other other companies, Stephen Mantz and the officers of those companies made the decisions, not Lukas and certainly not Stieglitz. This is part of the history of Hifonics.

How the hell do you think Autotek, Rodek, Crunch, Lanzar etc got their start in the amplifier high end business? Zed Audio that's how.

SO IS IT NOT KIND OF FUNNY HOW ZED AND STEPHEN DO NOT EXIST IN THIS HISTORY OF HIFONICS POSTED ON MAXXSONICS WEB SITE?

Are me and my company simply a figment the imagination? Hell how did you, Lukas get to the USA if not with my help? He got here via Stephen Mantz, that's how. Lukas maybe you are also a figment but hell no you are the designer for Hifonics now – so you must be real!

I do give credit where credit is due, unlike you Lukas. Lukas was an integral part of this two man design team and we did come up with many innovative products. You Lukas are a good engineer. Over the next 11 years both Zed and Hifonics grew but Helmut was not happy as Zed grew faster than his company.

The slogan "Power from the Gods" was NOT Stieglitz's idea but Stephen Mantz's idea. Funny Lukas how soon we forget and Brett Solomon who knows nothing about what happened!

The writer of this PDF posted on Maxxsonics site knows jack about South Africa. He states some nonsense about the manufacturing conditions in South Africa and based on what he writes, obviously knows nothing about our mother country. He knows nothing about their import duty policies (back in the 80s), he knows nothing about Advolorum Excise Duty we paid to the government, he knows nothing about what it cost us to manufacture amplifiers in South Africa and he knows nothing about South Africa – period. So why write all this garbage Brett Solomon?

"Steiglitz made the decision to bring the manufacturing of Hifonics to California, right here in the United States" WHAT A LOAD OF DRIBBLE IF EVER I HEARD?

Now ask yourself this question. Why would Stieglitz have the manufacturing "brought" to California if he lived in New Jersey? Who was in California actually doing the manufacturing? Certainly not you Lukas as you were in NJ for about a month after we arrived here. Even when, you Lukas came to CA and lived with me and my wife for

seven months. How did you get here? Yes you took an airplane but you could not drive so how in hell's name did you Lukas set up the factory? Where was this factory? Why would Stieglitz have the manufacturing in CA so that he could pay the added freight to ship product to NJ? Maybe this Solomon character knows the answers? Now that makes good business sense does it not, Brett Solomon and all you others! Stieglitz made <u>NO</u> decisions as it was mine and mine alone to come to the USA and live in California. It was <u>not your</u> decision Lukas but just mine. I paid for the 20 foot container, 7,000 Rand (The South African currency for all you well informed writers who know so much about South Africa) NOT Stieglitz. I paid for my and my wife's airfare to the USA. Not Stieglitz. I located to California even though Stieglitz wanted me to live in New Jersey.

So to sum it up Brett Solomon, Stieglitz had jack SHIT to do with relocating anything as he owned ZERO of Audio Labs my South African company!

Where this Brett Solomon character gets his information from is a mystery to me BUT Lukas and Helmut you know the truth don't you?

Of course I understand that if in fact Stieglitz was contacted for information that he would simply conveniently forget to mention that Zed Audio exists as well as me. How stupid as so many out there know that Zed built Hifonics amplifiers.

A fact Lukas and all, without me, Stephen Mantz, Hifonics would never had existed. Why? Well here is some history for all you. Helmut had NO money, he started Hifonics with a loan of \$5,000. When I exported the first amplifiers to him from South Africa, he could not pay me and I had to wait a long time to get paid (well after we arrived in the USA). He could not have gone to an Asian supplier as he had NO money. I gave him substantial credit. That is part of Hifonics history. Brett Solomon, how is it that Stieglitz or Louw did not give you this and other information?

After all in 1995 when Hifonics was on their way to bankruptcy and they owed Zed Audio 1.4 million US Dollars (Yes read that right \$1,400,000-00) and we sat in my office at our Royal Avenue factory with my accountant and my wife (Sorry Lukas was not in that meeting as he had left Zed in 1991 to go <u>work for</u> Hifonics). I offered Stieglitz to take over part of his company in lieu of part of his debt to me. He told me to f_k off and said I was trying to steal his company. Zed had no interest in really owning part of Hifonics as my expertise is building amplifiers not selling them – but it seems that according to Brett Solomon and others that Stieglitz was the brains behind the amplifiers.

The end came a few months later when Matt Coleman bought the assets of Hifonics and paid off my debt. Zed ceased building product for Hifonics later that year as I decided not to deal with Coleman any longer.

A fact not mentioned by Solomon in his history is the attempted takeover of Hifonics by the late Jon Honey in the early nineties. I do not wish to talk about this as Jon is not here to defend himself. Another fact not mentioned by Solomon is the <u>West coast branch of Hifonics</u>, called Hifonics West, first located up in Frisco and run by Wall Cantor. Later moved a few blocks away from Zed's Royal Avenue factory in Simi Valley CA. Now why would Stieglitz not mention this fact? Why would Solomon or Lukas not mention this? Mmm I wonder why? Why locate Hifonics West just a short distance from Zed Audio, if Zed does not exist?

So Lukas once again you do not step up to the plate and tell the truth. You surely have the power to say to the management at Maxxsonics that what is on their site is not the truth. Why do you not tell the truth Lukas? I know why – you are just plain chicken and will not stand up for what is right. I have told these things about you Lukas because I feel you deserve it. You give me ZERO<u>recognition</u> but you also forget the good things I did for you. Did you ever tell these guys at Maxxsonics that Zed Audio actually existed? I wonder what world YOU live in? You even asked me to talk to Maxxsonics about building more amplifiers and I talked to some guy John whomever but he never came back to me. How could you have asked me this if I do not exist?

Do you Louw remember for the 1990 Las Vegas CES show in that Hifonics van which Stephen had fitted with equipment in California. Oh, nobody remembers how that van got purchased, Zed Audio purchased it. Nobody remembers how that van got stolen and Zed bought another. Nobody remembers how that van got up to San Jose to be upholstered and painted. Hell no it did not drive itself, it got driven up by a ghost – yes that's little ol' me, Stephen Mantz who does not exist. Nobody remembers how the van got back to Los Angeles and then driven to Ivan's shop to have all the gear installed. Again it was a ghost as I do not exist based on Lukas' memory

Does anybody remember that van being driven to Vegas, not Lukas as he could still not drive a vehicle in his mid fourties! Me, the ghost, drove it to Vegas and drove back to Los Angles.

Mr. Stiefel, Lukas, this document will be posted on as many of the forums as I can so all will know the truth. It kind of reminds me about that other stuff posted about the "original design team" who designed the first Hifonics amplifiers, and then got together to design these new bla bla bla amplifiers. My name was never mentioned. How the hell were these Hifonics amplifiers ever produced if I or Zed Audio did not exist?

It is time to set the record straight and this document does it. It would be great if "some" would actually tell the truth.