

THE TELOS ALLIANCE™

January, 2011

To our team and partners,

Many people hear the word “Telos,” note its association with broadcast telephone and codec equipment, and conclude that it was chosen for its evocative properties. “Ah,” they say, “Telos — telephony. I get it.” But that’s only part of it. Telos is a Greek word, which depending on context can mean “end”, “goal” or “purpose.” Aristotle used *telos* to describe the philosophy that any object should rightly be examined through the lens of its intended purpose.

So it was in 1985 when Telos Systems began. We had only one product, but it did indeed have a very specific purpose: to allow broadcasters to connect better with listeners. Connection, after all, is the purpose of our industry. On a human level, our desire to connect is a strong one rooted in community and our need to exchange ideas, thoughts and feelings with each other; to know that someone else understands us. Those first Telos telephone hybrids served that purpose by helping listeners really connect with talent. No longer did callers sound like tin cans at the end of very long strings; they became a routine part of the broadcast experience. As a former DJ and talk host, as well as being an engineer, I was well-placed to address the deficiencies of the interface gear of the day.

In 1992 I joined forces with another like-minded engineer, Frank Foti, and Telos / Omnia was born. You likely recall that in the beginning Omnia wasn’t a company; it was the name of a single product. Omnia.fm was the first broadcast processor to successfully employ DSP for audio processing, without the harshness or artifacts that plagued contemporary products. The world of radio realized that Omnia was something special, and Frank’s tireless dedication and constant innovation on the leading edge of processing technology transformed Omnia from a single offering into an entire line of well-respected audio tools. Today, Omnia audio processors are the preferred choice of leading broadcasters around the world.

When Mike Dosch joined the company a few years ago, we started the Axia division, pioneering networked audio for broadcast studio application. The growth of Axia has been stronger than anyone might have expected; that Axia has become one of the most successful start-ups in broadcast audio is testament to Mike’s skill. And Livewire networking is at the core of studio equipment innovation, being supported by products from all of our divisions as well as over 30 development partners.

Our company got larger again in 2007 when we brought Tim Carroll and Linear Acoustic into our organization. Like Frank and me, Tim saw a need and worked to fill it. He realized that with the US transition from analog to digital television, stations would need effective loudness control of multiple DTV audio channels. His pioneering work in



THE TELOS ALLIANCE™

the field has paid off with success that recalls that of Omnia, his AERO.air begetting a whole family of audio management products for digital TV.

These products – in fact, all of our projects since the beginning – have been motivated by “connection.” The Zephyr gained such universal acceptance not simply because it heralded a new technology, but because it helped broadcasters thousands of miles apart sound as if they were in the same studio. Omnia became wildly successful by helping listeners connect with their favorite radio stations on a more visceral level. Linear Acoustic does the same for television viewers. And Axia Audio gives broadcasters the power to connect and network in a way that has transformed the way radio studios are conceived and built.

25 years later, I am humbled (and not a little astonished) to find that Telos has become one of the largest broadcast equipment manufacturers in the world, thanks to the talented team of engineers, scientists and broadcasters we’ve assembled. We’re more successful than I could ever have imagined while building hybrids in my Cleveland kitchen back in 1985. Telos has become such a large operation, in fact, that invention must constantly vie with business for my attention — and of the two, I prefer the former.

That is why, after much considered thought, Frank and I have decided to appoint Michael “Catfish” Dosch as the new CEO of Telos.

Mike has been part of our leadership team for many years, since he joined us from PR&E in 1999. Back then, Frank and I still managed the business personally. After 15 years of running at top speed, I felt I needed a sabbatical to refresh. But Frank was deep in the development process on what would become Omnia-6, and I couldn’t simply leave him with the burden of overseeing daily operations. So we determined that Mike would be my proxy while I travelled. It was the right choice. Not only did he provide a steady hand on the wheel, he took us in new and interesting directions. Under his watch, we developed and launched new products, improved our systems and structure, and grew the company by setting up new manufacturing operations and steering our marketing outreach.

I honestly meant to return to Cleveland after half a year, but during my travels I found myself captivated by the people, energy and techno-centricity of Riga, the capital of the Baltic country Latvia, as it emerged from the Soviet sphere to become a modern European democracy, and it has been my home base since around ten years ago. Even as I divided my time between Riga and Cleveland, Mike continued running things.

Mike’s next step is a natural progression: he will assume the position of Chief Executive Officer, working with Frank, Tim, and I in continuing to propel Telos, Omnia, Axia, and Linear Acoustic forward. I can think of no one better prepared to continue our enterprise’s journey of innovation in service to our industry.



THE TELOS ALLIANCE™

I'm proud of our success. But I'm even more pleased that we've been able to achieve this with integrity and honesty in our relationships with clients, partners and employees. Mike, Frank, Tim, and I are in complete agreement on these essential values — which is why I'm comfortable passing the baton. Mike is full of energy, insight and new ideas, and I will enjoy watching him grow our company to the next levels of success.

Having built a successful company from scratch and watched it flourish and grow, I now find with some surprise that I'm a quarter-century older. I've been fortunate to have been involved with many exciting new technologies, worked with some great people, and seen much of the world, but there's much more to experience. Apollo commander Frank Borman said that "Exploration is really the essence of the human spirit" — and no doubt Telos will continue its trajectory of exploration and innovation. Onward!

Steve Church