

## **2020 ConnectHome - Azpen Innovation, New Stakeholder Introduction, 3/24/20**

Caila Prendergast: All right. Let's go ahead and get started.

So first of all, good afternoon everyone and thanks for joining today's ConnectHome USA webinar series. Today we'll be introducing the newest ConnectHome stakeholder, Azpen Innovation. My name is Caila Prendergast and I'll be one of your hosts today, along with Dina Lehmann-Kim, HUD's ConnectHome USA program manager.

Before Dina introduces our speakers for the day I'm going to go over a few housekeeping items. For those of you who have joined the webinars before, it's the same as it usually but I'm going to go over it for those who might be new today.

So the first way that you can ask questions during the presentation is by raising -- you'll see a hand-shaped icon on the right-hand side. You can click on that hand and I'll unmute your line and you can ask your question verbally. Or if you would like to send us your question, you can simply type it in the chat box in the lower right-hand navigation panel and I will read it aloud in the order that we receive the questions.

For this presentation we'll be hearing from the speakers for the first 30 minutes or so and then we'll leave the remainder of the time for any questions from the audience. Today's webinar is being recorded and will be available on HUD Exchange shortly following the webinar. Immediately following the webinar you will receive an invitation to complete a survey, and we ask that you please do this if you have time. Any feedback that you have is really helpful to us, so that would be great.

With that I'll pass it over to Dina, who will introduce today's speakers.

Andy Alfaro: Great. Thank you so much, Caila, and thank you everyone for joining us. I know these are interesting times, so I appreciate you taking the time out of your busy schedules to join us today.

And I'm very excited to hear from Azpen Innovation, as Caila said, our newest stakeholder for ConnectHome USA. So I'm going to be familiarizing myself along with you all with their products.

So before I turn it over to them I just wanted to introduce the speakers we have from Azpen. First up will be Jim Hu, who is the founder and CEO of Azpen Innovation. He graduated from UT-Dallas with a major in business. He has over 17 years of experience in computer technology and the consumer electronics industries.

He'll be also joined by Mike Glasscock, who is the director of sales and operations at Azpen and has been with Azpen since 2007. He graduated from the University of Texas at Arlington and has over 28 years' experience of sales and marketing in the wireless and consumer electronics industries.

And finally, we'll hear from Andy Alfaro, who is the director of business development and has been with Azpen since 2016. He began his career at Walmart corporate and has over 30 years' experience in the consumer electronics industry.

So with that, I will pass it over to Jim. Thank you so much, Jim. And before I forget, I wanted to mention that Fred Logan from the Choctaw Nation of Oklahoma is also going to join us and he'll help paint a complete picture of the work that he has done with Azpen in his community. So that's to be up and I'm really excited to hear more about that.

So with that, thank you, Jim, and you are up. Thank you.

Jim Hu: Okay. Thank you, Dina and Caila, and thank you for organizing this webinar.

I'm Jim Hu. I'm the CEO of Azpen Innovation and thank you everyone for attending this webinar. I know it's a special time so let's try to keep it short.

So first, let's briefly -- about our company, who is Azpen Innovation, slide four. And then slide five is -- Azpen, we're based in Dallas, Texas. We have about 17 years in the industry. Our main focus is the laptop computer, tablet, and some smartphone devices also.

So currently we mainly sell to some retailers like Sam's Club, Best Buy, but we also sell to lots of schools and ISPs, and locally in some other states. We also sell to some government contracts and sell to some enterprise channels.

So the company, in 2018 we won the CES Innovation Award, and in 2015 we were recognized on the DPW 100 list; and in 2014 Azpen is the fastest-growing technology in the DFW area. We also a certified minority owner.

Our slogan is "Innovative, Intelligent, Affordable." The last thing, affordable -- we try to make all the devices a very reasonable price to everyone.

So next I'm going to turn to Mike Glasscock. Mike?

Mike Glasscock: Hello. Thank you, Jim. Slide six, certification of services, just review some of the certifications.

We are a Qi wireless-certified Wireless Power Consortium member. As Jim mentioned, we got recognized at CES 2018 with an Innovation Award, the Honoree for Smart Energy category with our DockAll Qi wireless charger. We are an improved integrated partner with Google and Amazon, and you can see some of the other certifications on the right side, like Apple.

Some of the services that we offer: engineering, software development, product and hardware development; ID design. We also offer OS configuration and pre-install applications of user settings. We can also provide branding and packing customization. And then pre-sales, post-sales, service and tech support, as well as warranty services and repair, all done out of our Plano

location. So any type of returns or anything that you do have would be sent back to our office in Plano, Texas. Slide seven.

Marketing and sales support. Some of the different things that we can provide you are presentations, product trainings; we can also provide you some spec sheets, product slides; even sample products, product specifications -- and I said the packaging standards. We can also offer customized options as well. We can also do some bundling as well, as you'll see in some of our products on, that we can bundle tablet accessories, cases. We can provide drop ship as well, and we offer EDI SPS Commerce to process orders. We do attend a variety of trade shows throughout the year. Okay, slide eight.

This slide highlights our brand essence. One thing that Azpen is, we're very easy and flexible to do business with. As Jim mentioned earlier, we offer solutions to provide value and affordability to our customers. We position all of our products through a variety of channels [inaudible]. Slide nine.

Some of the different customers and distributors we work with -- we do work with many different retailers, big box retailers, e-commerce, B2B; many different alternate channels as well as school districts. We work on many different customized projects. We have partnerships with a couple different distributors.

Andy will be next, and Andy will review our products.

Andy Alfaro: Okay. Thanks, Mike. I appreciate it. My name is Andy Alfaro. I've been with the company for so many years and been in the industry for well over 30.

In terms of product presentation, the first one is the A780. This is a basic opening price point tablet, 7-inch Android 8.0. Basic operating system, 1 GB RAM, 18 GB storage, camera on front, battery, and all the features down below. So this is again a basic opening price point tablet, and the majority of our products are that. They are opening price point. It's for the customers who want an iPad or similar high-end tablet that really just can't afford it. We help fill the need for that, and this is just one of those items.

The next item, the G1058, is kind of a unique item that we've created. It's a 10-inch tablet but it also has a Bluetooth keyboard. What's unique about this is it has the SIM card ports. For those who may not have access to the Internet, can access it through a SIM card. There's many of them out there that don't have this access. We can provide also the SIM card as a promotional opportunity, and we can talk about it more in details later. But again, this product is a 10-inch tablet with a Bluetooth keyboard, case, and you can see it stands up upright, props up, and closes; very easy to take along with you and very portable.

[Inaudible, referring to Model #A1046C]. It's also an Android 8.0, 10-inch with Bluetooth keyboard and a case to go with it. The storage is a little bit bigger than other ones we have, which is 16 GB, operating with a RAM of 1 GB. This is similar to the one we talked about before but it doesn't have the SIM card ports. It's a little bit more affordable. Again, it comes

with a case to go with; a little bit bigger storage, 16 GB and 1 GB RAM. The specs are similar in terms of the camera, battery size, and other features, less the SIM card ports.

So the next is the X1450. This is our 14-inch laptop Windows 10 tablet. It's comparable in terms of features to some of the high-end tablets but at a much better price. Again, 32 GB storage, 4 GB RAM. RAM is essential. If it's got at least 2 GB, you're operating Windows, it will perform much better, and we've integrated that to ensure it does so. Again, camera features, 2 MB front camera; battery size 10,000, which is very good; and again, the features below are comparable to some of the top-of-the-line tablets in the market.

And lastly, we have been working with the Choctaw Nation, with Fred; working together several years ago and Fred recognize the opportunity here that we could fulfill in terms of affordable computer devices. We have, in coordination with Fred and the Choctaw Nation, provided those tablets and has been a regular customer for many years. So we appreciate that and we're glad to be a part of the Choctaw Nation family.

And with that, I'll conclude and turn it over to questions.

Dina Lehmann-Kim: Great. Maybe before we turn it over to questions, Fred, do you want to describe a little bit about the work you did with Azpen and how it helped connect residents both to the devices themselves and the Internet?

Fred Logan: Okay. Originally we were introduced to Azpen by another stakeholder, GitHub, that bought some of the original ones for us. So we got introduced to their product at that point, and we had such success with it that -- and we've used different sizes, 7-inch and the 9-inch, and basically now we stick with the 10-inch, the 1046 model that he was showing earlier, that we've had a lot of success with.

They actually have them in different colors, too, and we started buying them in different colors. The ones we get, they come with a sleeve. So they're very good for our tenants and our children to use. We've loaded many other applications on these tablets and we've never had a problem with that. I mean, we use our own tech guy for that. But Azpen has always been there if any kind of technical assistance -- they've always been there for us over the years that we've used them.

And as far as warranty and stuff like that, they've always been there for that, too. They've taken care of business for us. They've made it easy for us with the uses we've done over the years. I mean, I would highly recommend them in this regard because they honor everything, they back everything. And actually, I think their products have gotten better and better over the years, to tell you the truth.

And if anybody else wants to ask me anymore about it, I'm always available by phone, and Dina can probably get that to you if you want to know anything else.

Dina Lehmann-Kim: Great. Thank you so much, Fred. All right. Let's open it up to questions.

Caila Prendergast: We have one question already from someone in the audience named Carl. He asked me to unmute his line, so I'm going to go ahead and unmute that and he'll ask his question verbally.

Carl: Hello, everyone. I was wondering what version of Windows 10 was on the X1450 tablet.

Jim Hu: It's Windows 10 Home version.

Carl: Okay. Thank you.

Caila Prendergast: Thank you, Carl. That was a great question.

I also have another question here, just if you have price range for the devices that you can share.

Jim Hu: Yes. The price for 7-inch is in the mid-30s, around \$35. The laptop's around \$165. Also, it depends on what storage you want. We can upgrade it to 64 or 128. So if you have some more we can customize for you.

Caila Prendergast: Great, thanks. I'll see if there are any other questions.

So I'm not seeing any right now -- oh, wait, here we go. So Michelle, I see your question, "Do they have the ability of individual tenants to set up payment plans?" I'm guessing that's asking do you have the ability to work with individual tenants to set up payment plans with them, or how would that work?

Jim Hu: Payment plan -- kind of most of them they pay upfront before we ship out, or you can pay by credit card. We don't have any kind of installment right now, yes.

Caila Prendergast: Okay. Thanks. And then, could one of you please expand on the SIM card concept? I think you mentioned one of your tablets has SIM capabilities and the other doesn't. Can you just explain that a little bit more?

Jim Hu: Andy, you want to explain?

Andy Alfaro: Yeah. I'll explain that.

So basically the way the SIM card works is similar to a cell phone. Every cell phone has, if you open up the back, a SIM card inside it, and that works off the cellular networks. This has the same concept. If you don't have access to Wi-Fi you use the cellular network to connect to the Internet.

Of course, with that there are charges that do accrue for use. But again, we've got opportunities with other providers to where we can provide discounts and programs that will help. But in a nutshell, that's how these work. If that doesn't answer the question let me know.

Caila Prendergast: So will that work in rural areas?

Andy Alfaro: Yes, absolutely. Now, there are some areas that may not. There may be some blackout areas, but these work off of the T-Mobile-AT&T areas, and that's really why we designed this, again, because there are some rural areas that just don't have access to Internet, and that's really the concept behind this product.

Caila Prendergast: Great. Thanks. So I see Karen, you have your hand up. I'll unmute your line and see if you have a question; if not, that's fine. Hi, Karen. Did you have a question? Okay. Maybe she hit it by accident.

I'm not seeing any more questions at this moment. Dina, did you have anything you wanted to ask?

Dina Lehmann-Kim: I sure did. You know me; I always have questions.

So one question is, Mike, I think you mentioned bundling. Could you talk a little bit more about that?

Mike Glasscock: Yeah. As you see, some of the products that Andy went through like the A1046C and the G1058, those have bundling already. There's already a case bundled with them; there's already a keyboard bundled with it. On the 7-inch I don't believe [inaudible] on the A780. That's something else we could visit as well; somebody maybe needed leather cases or a keyboard. Depending on quantity and things like that, we can always look at -- somebody wants a case or they want a particular sleeve or do they need it an extra accessory with it, a USB cable or something like that, we can also visit.

Dina Lehmann-Kim: I got it. Okay. I was conflating bundling with bulk purchases, because I'm so used to hearing about what T-Mobile does with the offers that they've been doing with some of our PHAs, where if there's a bulk purchase of individual Internet connections -- so just pretend, 100 units -- they then provide tablets, but it has to be a bulk order. So I was just wondering if that's what this was referring to. Maybe there was a slightly different price point, perhaps, if let's say an organization were to order a certain number of devices from you.

Mike Glasscock: Are you talking about a discount if you're ordering 100 units or 500 units?

Dina Lehmann-Kim: Yeah. Something like that. Yeah, yeah. That's what I thought the bundling meant, but I was wrong.

Mike Glasscock: Yeah, like a large order. Yeah, I'm sure, Jim, we could work with, yeah, if you're ordering a large quantity.

Dina Lehmann-Kim: Okay. Well, that's good for the community to know.

Okay. The other question I have while we're waiting for maybe other questions from the audience, is I have heard that because of the COVID crisis that we're in, demand for devices is rising and so supply might be a little short. Are you seeing that at all?

Jim Hu: Yes. We experience it every day, since last week, having so many calls, everybody wants the tablets, laptops. The 4G tablet is extremely hot right now.

Mike Glasscock: We're well-stocked on the tablets that we're showing, right? The A1046C, the G1058; we do have inventory.

Andy Alfaro: In addition to that, we could get product as well from China. There are some supply and demand issues going on in China, but typically if we wanted to order a bulk order from China, you're looking some production time plus time on the water. But if we don't it in stock here we can order it from China.

But yes, we have seen a significant spike really within the last five days, with a lot of kids that are staying home. That's [inaudible] more.

Dina Lehmann-Kim: Yeah.

Caila Prendergast: Thanks for that answer, guys. That's really enlightening.

Veronica has her hand raised; I'm going to give her the mike and have her ask her question aloud.

Veronica: Okay. Back to the SIM card and it work in rural; I'm just curious to how did you test that, and do you have a list of zip codes where you have tried to make sure that it works? And I don't know if you know who I am, but I'm here in Texas. I'm in east Texas and I service, for the purpose of the ConnectHome, 15 counties. I would be really interested in the SIM card concept.

Andy Alfaro: Yeah. I'll take that. Yes, what we can do is if you do happen to have certain areas, we can verify with the cellular company we're working with, make sure that you're covered. And again, these are going through the AT&T and T-Mobile, so it covers the same type of area that they currently have on cellular networks. You can find a lot of those just by doing a general search online and see what kind of map coverage they have. That'd be one quick way to do that.

Veronica: Right. I understand that, and that is a process that we typically do before we go with any particular carrier for an area. However, a lot of those zip codes are not complete information, and I would be really interested in having this conversation with you after we're done with this conference call to not take up everybody's time.

But the gist of it is a lot of the zip codes, they'll say yes, it works, you have coverage; but in reality you don't.

Andy Alfaro: Exactly. That does happen. You may be driving down the road and one side works and the other side doesn't, just like a cell phone.

Probably the best way to do it is we can continue this conversation later, but one of the best places to do it is we can even send you a sample and you can try it out in different areas just to make sure, and then we can go from there.

Veronica: Okay. Thank you.

Dina Lehmann-Kim: Yeah. Thank you for that. We have another question from Patricia. Hi, Patricia, can you hear us?

Patricia: I don't know if my microphone is working; can you hear me?

Dina Lehmann-Kim: Yep. We can hear you.

Patricia: Oh, great. So I was just wondering what type of warranty and technical assistance do you provide for these tablets and devices.

Mike Glasscock: Yeah. The tablets that we're showing you here, all of these have a 1-year warranty. And like I mentioned earlier, all of our repairs and everything are done in-house, so if you have issues with any one of them, you can send us an email and we'd issue an RMA, send it into us and we'd repair them for you and bring them back to you.

Andy Alfaro: And also in addition to that, our 800 number where customers can call is physically in our building. You're not calling to India or some other country. We man the phones locally in our office.

Mike Glasscock: On the packaging there's an 800 number that your customers can call in if there's any issue. And like Andy said, that call comes right into our office. We'll obviously try to troubleshoot over the phone if we can. If it can't be troubleshooted [sic] over the phone, then we'll issue an RMA and the customer can send it back into us to get it repaired.

And then obviously for y'all too, y'all can email us if you have any issue with the product, and then we'd issue an RMA and swap out. The number's on the website for customer support, tech support. That's all done in-house in Plano, Texas.

Dina Lehmann-Kim: Great. Thank you. We had another question; I think you might have touched on it in the previous answer but I'll just ask it again to verify. "Is there the ability to have a loaner tablet to test coverage?"

Mike Glasscock: I guess I could probably answer that. If you want to test one, just send us an email. Jim, are you going to be the main person to take an email, if you need to see a test sample? You want to test the tablet and the SIM card, right, just to make sure that the data network's working?

Dina Lehmann-Kim: Mm-hmm. Yeah.

Mike Glasscock: If you want to request a sample for testing, that's fine. Just send an email into one of us. You have all of our email addresses, I believe, for the test sample.

Caila Prendergast: Yeh. So for everyone out there who's interested in this, you all received an email from me, the ConnectHome USA training email, that's me. If you want to request more information from Mike and/or Jim, just shoot me an email and I'll pass along their emails so they can reach out.

That's all I have at the moment. Let me check to make sure no more hands are raised. Veronica has her hand raised. Hi, Veronica. Did you have another question?

Veronica: No.

Caila Prendergast: That's okay.

Okay. So that's all that I'm seeing in my chat box.

Andy Alfaro: Did we want to put an FAQ at the end of the call here, we can forward that back out maybe later to everyone?

Caila Prendergast: Yeah.

Dina Lehmann-Kim: That's a great idea.

Okay. I don't have any additional questions. Thank you so much, everybody from Azpen and Fred from Choctaw Nation of Oklahoma for joining us today and sharing this new resource.

Also want to thank all of our audience members. It's nice to hear your voices and that it sounds like you're all doing well and are healthy and safe, so that makes me happy. I hope you all stay that way, and thank you for all the work you're doing. This work is more important than ever.

We know that our residents need Internet access for their kids; elderly and disabled to stay healthy and keep up on the latest developments. I think unfortunately this crisis is highlighting just how important the Internet is, so hopefully after this all passes, more resources will be devoted to work that we do. So I want to thank you for your continued commitment and I look forward to continuing to work with you in the months ahead.

And thank you, Caila, for organizing and managing the WebEx system. So everybody, hope you have a great day and we look forward to talking to you again soon.

Caila Prendergast: Thank you, everybody.

(END)