

Barrie Lawson

Dear Mr Maker

Regarding the LIMITS Power Meter and the libellous claims about the company.

I am Chairman of LIMITS which, as you know, is a small start-up company based in Scotland and which has sought crowd funding through Indiegogo to support the development and commercialisation of a bicycle power meter. I have watched with dismay the growing number of negative comments about our company which have appeared in the DC Rainmaker blog. Though it is not our policy to challenge every negative comment about our company or our funding campaign which appears on the web, the unsubstantiated claims that we have lied and are scamming the public are a step too far. I am therefore responding to these issues point by point and in the interests of fairness, I request that you publish this letter in full.

LIMITS and Crowd Funding.

In LIMITS case, the Rainmaker blog seems to deliberately ignore the objectives and principles of crowd funding and seeks to criticise LIMITS unfairly for precisely the issues that crowd funding is designed to ameliorate. Crowd funding is designed to provide funds, not available from conventional sources, to encourage new small scale, sometimes risky, market entrants to be able to bring new ideas and products to the market to compete with entrenched, well financed and well resourced manufacturers and traders.

Just because the start-ups do not have the resources and experience of the incumbent market leaders and may possibly experience some unexpected difficulties, it doesn't mean that their projects and schemes should be belittled or worse still treated as a scam. Your blog shows considerable bias against LIMITS in this respect as the following points will show.

The LIMITS team has been working on the power meter for over 18 months now and in August 2014 submitted a patent application for the product. In April 2015 Limits published its Indiegogo prospectus including its development plan starting the previous January and stretching over 12 months showing product delivery in December. We are now eleven months into this plan and so far all major milestones published in the plan have been met.

The general tone of your comments for some reason however is one of unnecessary hostility.

It is neither helpful nor reasonable that you wanted to evaluate the product before its planned launch date. Very few if any, technology companies would hand over products using their latest technology to bloggers when the product is only part way through its development stage. You started your blog by saying you were very sceptical without ever having seen the product. It is most unreasonable that we get pilloried and accused of being a scam because, without any evidence to support your opinion, you think the product might not be deliverable.

It also seems to be that our company, not its product is being compared with established company performance which is contrary to the spirit of crowd funding.

You deride the progress reports which we publish and your views on our attendance at exhibitions are irrelevant and inconsistent. You criticise us for not having a major presence at Eurobike and

Interbike. What has this got to do with our design schedule? At the same time you contradict this view by belittling our attendance at the T3 technology awards where we were among the top 9 Indiegogo campaigns. You also criticise us just because we did not use the Eurobike opportunity “to scope out competition or partnerships”. Yet by contrast you also criticised our decision to purchase and evaluate competing power meters. There seems to be no pleasing you whatever we do.

You also state that LIMITS is “A product which is technically questionable at many levels” without ever having seen or tested one. This is not an example of unbiased product evaluation.

It appears to us that you wish to prove that we don’t stack up against favoured competition before we have even entered the market.

LIMITS Management Capability

You also questioned our technical capability since we had never made a power meter before implying that we would not be successful. This implies that only established suppliers should be trusted. Shouldn’t start-up companies be given a chance and supported rather than denigrated.

In response to your comment about our technical/business capability, the LIMITS product is based on clever use of conventional technology. It does not depend on achieving any technical breakthroughs for its success. In this sense it is risk free. There could still of course be commercial risks, such as those you appear to be trying to create.

The design team have the necessary package electronics, communications, software, mechanical statics and dynamics, project management and manufacturing technology skills which they have successfully applied to other applications. They do not need to be power meter specialists as you imply. Apple had never made a telephone before when they launched the Smart Phone.

LIMITS and Confidentiality

When the call for crowd funding for the LIMITS power meter was announced we were contacted on behalf of a major manufacturer of cycle power meters by their proxies, a major cycle racing team sponsored by them, who demanded to know confidential technical details of our designs. Being first in the market is very important for success and divulging details of our product prematurely would give our competition and potentially others the opportunity to copy our ideas before we were ready to launch. Our low cost design threatened the sales of currently available high cost products and cycle team sponsorship deals could also be put at risk. All of the above led to aggressive questioning and demands of, LIMITS staff to reveal confidential information while all our reciprocal requests for information were refused or ignored as was the request for them to sign a non-disclosure agreement (NDA). What was surprising was that we were unable to determine whether some manufacturers (sponsors), cycle teams and product reviewers and possibly bloggers were truly independent or were working in collusion with each-other to beat us to the punch. This experience of course raised our concerns about confidentiality. We therefore chose to keep product details confidential until the launch. When pursued to explain our decision, we chose not to respond so as to avoid the appearance of public criticism of our competition and potential customers. Unfortunately this policy has been maliciously construed as having something to hide.

Regarding your own questions, you attempt to push us into prematurely revealing confidential technical design information before the product is ready and you treat with scorn the responses we give you.

You will forgive us for being cautious about our technology when you boast:

“not to toot my own horn, but I can pretty much cause any given product in this space to live or die”

Anyone claiming to have the power of life or death over somebody needs to act with scrupulous fairness. Decisions need to be based on concrete evidence - not opinions, and judgement should not be rushed. Your one sided reporting of the LIMITS company, our development programme and our crowd funding campaign seem to be the result of pique based on our reluctance to provide you with privileged access to our confidential data before the product was fully ready. This is an unfair abuse of a powerful position.

LIMITS Product Availability

Other than in the 12 month development plan included in the Indiegogo prospectus in April and copied in your own blog later that month we have never made any claims about product availability.

Despite this, without the benefit of any evidence supporting your statements you accused the company of lies, deceit and of scamming the public. You made the following libellous statements

- “They out right lied in their introductory launch. That’s not debatable.”
- “they misled everyone else via the videos/text thinking people were riding them”
- “everything they showed in the [Indiegogo] video was ultimately just an illusion – a fake if you will”
- “I want people to realize something is rotten”
- “what they are attempting to do in the time period they’ve specified is not possible”
- “I believe at this point they are scamming people”

For good measure you also add “(I actually believe these quotes [in the Indiegogo video] were different before btw)” insinuating without any evidence that we had doctored the Indiegogo prospectus after the launch.

These are most serious and unjustified statements which do serious damage to our company. Already these defamatory statements have been picked up and repeated by other media and interviewees in the Indiegogo video have complained that you have taken their words out of context. The messages in the video, including all the comments by the cycling team, were all about the value or utility of power meters in general and not an endorsement of LIMITS in particular. There was never any claim or even implication, that a LIMITS power meter had ever been used on a bike by the racing team or anyone else. The comments and the demonstration in the Indiegogo video were about the <<<concept>>> of the LIMITS power meter and what it promised. The comments in the video however mentioned the capability of LIMITS concept without specifically distinguishing whether this capability was available in a product, now or in the future, and this could unfortunately have been considered to be ambiguous, but certainly not a deliberate lie.

Showing dummy products or “space models” before the actual launch of new products is common marketing practice for major corporations as well as start-ups and is typical of many crowd funding

projects. We showed dummy products in the Indiegogo video and at Eurobike and at the T3 awards. No claims were ever made in the video, or elsewhere, that working products with this capability were available. The LIMITS page on Indiegogo web site did however show that product would not be released to backers until December 2015. If working product had been available at the time the prospectus was published, we would have been selling it and not looking for crowd funding to develop it. This should be obvious from a full reading the prospectus.

Fortunately you also state “They didn’t have a unit then: Period. They said directly so much to me in the final days of their campaign way back when.” This statement actually confirms that we were not claiming to have a working product and you knew it.

As outlined in the Indiegogo prospectus deliveries will start in December and will continue into Q1 2016 as the production builds up.

Judge us based on facts – not opinions

In view of the serious nature of this one sided presentation of our company and our product, the least you can do is to allow me to answer this long list of defamatory claims by publishing this letter in full on your blog.

If you have any credible evidence of deliberate lies, deceit and scams you should produce it. If you don’t have such evidence then you should withdraw your defamatory comments.

Sincerely

Barrie Lawson Chairman LIMITS

Web sites www.mpoweruk.com

and www.limits.technology