

Paul Carr  
Editorial Director  
Pando

Dear Paul:

I would like to respond to your allegations against TellSpec, Inc.:

- Pando has charged TellSpec with many offenses, but your key charge is your claim that our scanner system does not work, which Pando refers to as the “bullshit scanner.” This is false. Our scanner works. The current beta version is an unprecedented and highly useful technology. The scanner system currently can parse ingredients and detect calories, fat, carbohydrates, proteins, glycemic index, insulinogenic load and fiber, as well as the presence or absence of gluten.
- TellSpec has been at a number of conferences, including CES 2015, where backers and the public at large have seen our TellSpec beta prototypes work. We have made public appearances (TED, CES, Engadget show, TEDx and mHealth) as well as videos showing how the scanner, app and algorithms work. The scanner was shown live on Spanish television to 7,000,000 viewers. See <https://www.youtube.com/watch?v=Mug0ROeBhWA>. TellSpec continues to share videos of the prototypes at work during development. Here is a video in which the scanner is demonstrated at the TEDx conference (starting around 9:30) <https://www.youtube.com/watch?v=2GJMAFUp6cs>. Here is another demonstration video with an interview by Dr Daniel Kraft at CES 2015. <https://www.youtube.com/watch?v=eOoXWnERqiQ>.
- We have stated that we will continue to make new additions of the detection engine can detect additional substances, such as other allergens and chemicals. And we have distinguished clearly between existing prototypes and future capabilities. Your articles fail to note this clear distinction. TellSpec shows on the investor deck that PandoDaily published without permission from TellSpec, a process that outlines what food detection will be addressed and will not be built until 2017. All Indiegogo backers have been given a 2 year unlimited subscription, and so all the nutritional detection planned will be accessible to the backers and no extra cost. Pando’s claim is based on the misunderstanding you have about what TellSpec is build; you have incorrectly understood that 1. The scanner is the technology that TellSpec offers (not so, TellSpec is a three part system) 2. The scanner does all the detection (not so the scanner is actually only a spectrometer which is not intelligent, the detection is done in the TellSpec’s servers which reside in the cloud) 3. The detection cannot grow over the months and years and get improved unless there is a new scanner (not so, since the software is in the cloud new updates can be delivered without the upgrade of the hardware). TellSpec has also explained in the campaign and in its updates that the nutritional detection and accuracy is improved with more and more scans and that delivering to initial backers will help this the growth of the data base of scans needed for the detection of many more nutritional components and better accuracy. In the video of the Indiegogo campaign the CEO says

“...the more food scanned by people the larger the food bank,.... Each time you scan a food , the food information grows and improves food data and accuracy...a global food print of food data that can be grown exponentially”.

- You have repeatedly attacked one of our videos as misleading because it showed a potential future model rather than our prototype at the time. But your articles fail to note the unmistakable and prominent disclaimer displayed at the beginning of the video in big red letters, stating, “The device shown in this video is a 3-D model representing the future industrial design of the TellSpec scanner. It is not a working device, and we are using it solely for the purposes of demonstrating the TellSpec concept.” See <https://www.youtube.com/watch?v=kcNj1DknDpg>.
- While we have had some delays in getting the TellSpec scanner to this point, we have kept our backers informed of our progress, and for the most part they are highly pleased with our performance. We have issued refunds to the small number of backers who requested them, but we believe our refund rate is at the low end for a crowdfunded company. Of equal importance, we have built a product with extraordinary functionality with not only the funds from the Indiegogo perks but also from other sources of funding that well surpasses the money received by those perks. While we have produced and provided a discrete number of our scanners to our backers, we have informed our backers that we need to raise additional funds to manufacture the majority of the scanners that have been ordered.
- We understand that journalists are free to disagree with us or to dislike our product. If CNET and Engadget write reviews of a product, whether positive or negative, they are entitled to express those opinions and indeed are performing a public service. But Pando repeatedly accuses TellSpec of fraud and deception without ever having seen our product.
- In fact, Pando goes beyond the realm of what journalists do. You are not merely reporting, you are manufacturing news. You are actively seeking to destroy our company:
  - You went to the Crowdfunder site, pretended to be potential investors, obtained our non-public, confidential information under false pretenses, then made and continue to make public our confidential information in its entirety. That’s theft, not journalism.
  - You contacted Crowdfunder to urge them to expel us from the site.
  - You claim to have filed a baseless complaint with the FTC about us, despite your having conducted no direct evaluation or investigation of the scanner.
  - You contacted at least one of the conferences at which we are scheduled to speak, suggesting that they cancel our invitation by claiming that you did an investigation on Tellspec despite your having conducted no direct evaluation or investigation of the scanner.

- You have twitted publically asking our employees to contact you.
- We suspect that Pando has a conflict of interest, that one of your investors is affiliated or has an interest in one of our competitors and that fuels your interest in trying to destroy our reputation. Others have made similar allegations against Pando in the past. We expect you to deny this. Perhaps you are merely a scandal sheet that will say or do anything in order to maximize page views. Either way, what you are doing is not journalism. Your actions are reminiscent of the British phone hacking scandal that resulted in criminal convictions of tabloid journalists.

In short, you continue to make false and baseless claims about a product you have not even seen, and in so doing, you have ignored the conclusions of many others who have both seen and been impressed by the TellSpec scanner system. That is not a news investigation or any other kind of journalism, and I hope that your readers can see it for the meritless hatchet job that it is.

Sincerely,

Isabel Hoffman  
CEO, TellSpec, Inc.