



## BREW® DEVELOPER CASE STUDY

### COMPANY:

Moderati Inc. (formerly Faith West)

### HEADQUARTERS:

San Francisco, Calif.

(parent company headquartered in Kyoto, Japan)

### FOUNDED:

2001

### OVERVIEW:

Moderati makes mobile phones rock. A wholly owned subsidiary of publicly traded Japanese corporation Faith, Inc., Moderati delivers high-impact mobile content to consumers and wireless carriers under the Modtones brand. The company also provides service to licensees of its parent company's software-based mobile sound solutions worldwide, including authoring tools from QUALCOMM Incorporated that allow developers and content providers to create mobile content in the proprietary CMX multimedia format developed by Faith, Inc.

### WEB SITE:

[www.moderati.com](http://www.moderati.com) & [www.modtones.com](http://www.modtones.com)

### BREW DEVELOPER:

Since 2002



In 2001, Japanese audio technology company Faith, Inc. created Faith West, an independent subsidiary tasked with licensing its CMX solution and delivering mobile content to the nascent U.S. market. Faith West, which eventually changed its name to Moderati, launched its first consumer product in 2002. Called Modtones, the product was a polyphonic ringtone application for mobile devices, and was built for QUALCOMM's BREW® solution. Modtones delivers polyphonic ringtones to wireless operators such as Verizon Wireless, ALLTEL, MetroPCS, U.S. Cellular, Western Wireless, Hutch (Thailand) and Telstra (Australia), as well as various carriers in Latin America. With an executive team comprised of Internet music veterans, Moderati's approach to marketing its unique service is steeped in experience culled from building wireless and Internet brands.

Modtones is enjoying great success in the U.S. market, due in part to its partnership with Verizon Wireless' Get It Now service, U.S. Cellular's Easyedge service, and ALLTEL's Axxess service, which are all powered by the BREW solution. Carolynne Schloeder, president of Moderati, credits the BREW solution as a significant component of the company's success.

"When we approached Verizon Wireless, they said we might have an opportunity if we could launch a ringtone service on BREW, so we jumped on it." The opportunity paid off. Moderati is now finding that "big carriers are approaching us to do private label products but also want to distribute Modtones. We've been able to build something with a lot of value." The BREW platform has created opportunity for small developers to work with large operators as partners, expanding their capabilities and services and ultimately enriching the customer experience.

Given the immediacy of the opportunity presented by Verizon Wireless, Moderati hit the ground running. The executive team partnered with eMbiance, an experienced BREW developer, and moved into a fast-paced development cycle.

"With the BREW solution, it's like a start-up environment: the pace, getting the product out there. But behind all this was QUALCOMM, so we didn't have to worry," said Schloeder.

In the beginning, the Modtones development team experienced occasional difficulties with implementation and reporting. But, with the help of the BREW developer relations team, Moderati was able to quickly resolve any challenges.

"This was important because they knew our business, built relationships with us and had follow-through," commented Schloeder. "As a result, we have seen improvements in the BREW solution, and it will be easier for new BREW developers now because of its progress." While BREW's openness offers flexibility for the needs of each developer, its stability allows QUALCOMM to support each developer in its individual needs.

The Verizon Wireless partnership offered Moderati a unique advantage, and it was just the first step of a long but critical

process. Schloeder acknowledges, "There is a rigorous testing process for a BREW application to become tested. BREW requires a lot of attention and thorough quality assurance on the developer's side, but it means that the operator has a high level of confidence in the developer and in the BREW solution." The rigorous guidelines assured that Moderati was providing a quality application to Verizon Wireless, allowing a faster rollout process and ultimately, greater U.S. success.

Since its introduction, Modtones has been a hit with consumers and continues to be a top selling application. Furthermore, Modtones DJ – a real-tone application featuring a catalog of hit tracks that play on a mobile device as a compressed version of an original recording, including vocals – was presented with the Best Ringtone Application award at the BREW 2005 Developer Awards.

In addition to offering Modtones to operators in the U.S. market, Moderati has partnered with AnyMusic to bring Elftones to China Unicom. It was the first BREW ringtone application in China. The process includes developing for new handsets, supporting new file formats and executing new licensing agreements. Schloeder notes, "It's amazing that we – a small company – are going global at this stage of our development. We can do it because in Modtones we have created a re-usable asset. We have worked through BREW to get to the operators. We are really a localized business. BREW offers us a great way to grow cost-effectively." The BREW solution's comprehensive, cost-effective platform gives developers a feasible means with which to approach international companies as potential partners, enabling them to grow their businesses and expand their product ranges.

"Moderati provides branded, turn-key services based on the BREW solution for our carrier and media partners," said Schloeder. "Lucky for us, BREW is snowballing. It is an important part of our success, and we are very happy with how easy it is for consumers to get into BREW. It's been great."

Consumer demand for Moderati's applications has translated to approximately \$1 million of revenue per month that can be directly attributed to the BREW solution. Moderati's bright future will see an increased footprint in the global market, as well as new lifestyle applications for mobile devices. "We plan to build on the success we've had with ringtone and wallpaper applications, and capitalize on the distribution channel we've built with wireless carriers worldwide to introduce a range of new products," said Schloeder. "BREW will always be an important part of our strategy."

### MEDIA INQUIRIES

Moderati is interested in speaking with the media as a customer reference for QUALCOMM. Carolynne Schloeder, president of Moderati is the appropriate spokesperson. Her contact information is:  
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