Dear MAXD Shareholders,

Here is a 2017 summary of where the Company is at today, and a candid discussion about the progress we’ve made with MAX-D HD Audio and our litigations with Google. While it has been challenging in many aspects, we feel great things have been accomplished over the past eleven months and that 2018 will be a breakthrough year for all of us.

I want to sincerely thank each and every one of you, our investors, who have continued to support us when it would have been easy to not do so for the lost share value alone as well as the related negative perception that our unique challenges have, at times, created. That said, the MAX-D Team has continued to put in the long hours, never doubting our ability to reach the ultimate goal of the kind of scalable profitability that leads to real shareholder value, which ultimately is why were all in this together.

MAX-D HD AUDIO LICENSING
In the past year, we’ve been working on MAX-D Voice that has proven in all our Audio Lab tests to greatly improve the Cellular voice call. You can listen to the demo at http://maxd.audio/demos It is finally becoming clear to many Mobile Phone OEMs that demand for a higher quality, clearer phone call is very important to consumers. The MAX-D team is focused on delivering a series of big name customers with revenue events that will tell our shareholders, and the world, that we have finally arrived and that consumers prefer MAX-D® Voice with HD Audio®!

Following up on the Hong Kong Summit trip, I am excited to report that we have completed the Mutual Signed NDA and Due Diligence phases and become engaged with two major global companies to port and license MAX-D Voice onto their mobile and laptop devices. The current projected target launch goal being requested by both companies, is Q-2 2018 and a successful launch would equal branding, projectable revenue and profitability on the year. More details are expected to become available soon.

MAX-D HD AUDIO R&D
To port MAX-D Voice onto the new OEM’s devices, we have contracted Path Partner Technology Private Limited, which has over 300 employees and 11 years in the industry working with the largest chip companies across all industry sectors. They have been coding onto the Snapdragon chips since the beginning, so this relationship brings us the muscular resources we need to meet the OEM’s R&D goals and product launch targets. You can learn more at www.pathpartnertech.com

BIOMETRICS PATENT
On June 13, 2017 the United States Patent and Trademark Office issued patent 9,679,427 on MAXD IP for Biometric Audio Security. A great deal of interest was generated at the Hong Kong Asia Summit. Max Sound will continue license opportunity discussions with these interested companies in 2018.

TRADEMARKS INCLUDING HD AUDIO
The Company has been granted the following registered trademarks: Max Sound®, MAXD® and MAX-D Audio Perfected® and HD Audio®.

MAXD LITIGATION
Below is a full update on both cases. The Company believes it has a good likelihood of success associated with these patent infringement lawsuits. Both cases below are on a contingency agreement with our Law Firm.

'339 PATENT LITIGATION
On August 11, 2014, the Company and VSL simultaneously filed trade secret and patent infringement actions against Google, Inc., and its subsidiaries YouTube, LLC, and On2 Technologies, Inc., relating to proprietary and patented technology owned by Vedanti Systems Limited (“Vedanti”), a subsidiary of VSL. The patent infringement complaint was originally filed in the U.S. District Court for the District of Delaware; the trade secret suit was filed in Superior Court of California, County of Santa Clara. On September 30, 2014, the Company filed notices of voluntary dismissal without prejudice as to both lawsuits. On October 1, 2014, the Company amended the patent complaint and filed it in the U.S. District Court for the Northern District of California. In this patent lawsuit, the Company contends that, in 2010, while Google was in discussions with Vedanti about the possibility of acquiring Vedanti's patented digital video streaming techniques and other proprietary methods, Google gained access to and received technical guidance regarding Vedanti’s proprietary codec, a computer program capable of encoding and decoding a digital data stream or signal. The lawsuit further alleges that soon after Google and Vedanti initiated negotiations, Google willfully infringed Vedanti’s patent by incorporating Vedanti's patented technology into Google's own VP8, VP9, WebM, YouTube, Google Adsense, Google Play, Google TV, Chromebook, Google Drive, Google Chromecast, Google Play-per-view, Google Glasses, Google+, Google’s Simplify, Google Maps, and Google Earth, without compensating Vedanti for such use. On May 13, 2015 Google's "motion to dismiss" was denied by the Northern District of California court in a seven page order, stating that Max Sound had sufficiently alleged the existence and validity of the '339 Patent. However, on November 24, 2015, the court granted a second motion to dismiss for lack of subject matter jurisdiction based on the defendants’ argument that the agreements between the Company and VSL/Vedanti did not clearly give the Company standing to enforce the patent rights. The Company appealed that decision on February 22, 2016. One January 18, 2017 the Company received a notice from the Federal Circuit Court of Appeals that affirmed the order of the District Court dismissing MAXD’s patent infringement lawsuit against Google for lack of standing. The Court did not issue a written decision explaining its reasoning or that the Company's arguments were not correct; however, The Company believes that their decision was predicated on the fact that as now co-owners of the patents with Vedanti, the Company can simply re-file together against Google. The Court also issued an order denying Google's motion arguing that the Company’s appeal should be dismissed as moot. On September 25, 2017, the Court issued an order that the Company should reimburse defendants for its attorneys’ fees. The Company believes that the Order for fees is without merit and has appealed.

In November 2016, the Company entered into an agreement with Vedanti Licensing Limited ("VLL") and Vedanti Systems Limited ("Vedanti") under (the "VLL/Max Sound Agreement") granting the Company co-ownership of U.S. Patent No. 7,974,339 (the "'339 Patent") along with the other patents owned by Vedanti Systems Limited. Thus, the Company is now a co-owner with VLL of the '339 Patent and ODT Patent portfolio, pursuant to the VLL/Max Sound Agreement, the Company and VLL intend to file new lawsuit against Google and others for infringement as co-owners.

In August VLL filed in the Court of Appeal vs. Google with the objective of reversing the PTAB's decision in the Sprigg's IPR. The legal team is highly confident that we still have the superior legal position and arguments in this proceeding and this coupled with PTAB not giving us due process, will lead to the FCCOA reversing the PTAB decision on
Sprigg’s and finding that the 339 Patent is indeed valid and enforceable. Interestingly, Google are not appealing the IPR they lost.

Recently, Google was granted an extension in these proceedings and the final day for their response is now Dec. 21, 2017. We will then have a right to respond and following the filing of our response the court will schedule a mandatory settlement conference. Following this and in conjunction with the scheduling of the MAXD Appeal (given they will be now heard on the same day by the same panel) we will receive the date for the hearing.

ENGINEERED ARCHITECTURE LITIGATION
Max Sound is currently in the process to remand back to the State Court the Misappropriation, Breach of Contract lawsuit. Hearing for this is set for March 15th 2018. With a future Court Trial ruling in Max Sound’s favor then the RICO case would be tried in Federal Court. The Trail was set for September 2018 prior to the ruling moving it to Federal Court.

Below is the history of the case in our last SEC filing.

On December 5, 2014, the Company, along with renowned architect Eli Attia, filed a lawsuit in the Superior Court of California, County of Santa Clara, against Google, its co-founders Sergey Brin and Larry Page, Google’s spinoff company Flux Factory, and senior executives of Flux. Plaintiffs’ allege misappropriation of trade secrets, breach of contract and other contract-related claims, breach of confidence, slander of title, violation of California’s Unfair Competition Law (California Business and Professionals Code §§ 17200 et seq.), and fraud, and also a claim for declaratory relief. The lawsuit contends that Google and the other Defendants stole Mr. Attia’s trade secrets, proprietary information, and know-how regarding a revolutionary architecture design and building process that he alone had invented, known as Engineered Architecture. Defendants are alleged to have engaged Mr. Attia in 2010 and 2011 to translate his architectural technology into software for a proof of concept, with the goal of determining at that point whether to continue with full-scale development with Mr. Attia. Instead, the lawsuit claims that once Mr. Attia had disclosed the trade secrets and proprietary information Defendants needed to bring the technology to market, they severed ties with Mr. Attia, and continued to use his technology without a license and without compensation, in order to bring the technology to market themselves. Plaintiffs seek a permanent injunction against Google, damages (including punitive damages), and restitution. As exclusive agent to Eli Attia to enforce all rights with respect to the subject technology, the Company has retained Buether Joe & Carpenter LLC to represent the Company in the suit, on a contingency fee basis. The case will be vigorously prosecuted, and the Company believes it has a good likelihood of success.

Defendants have filed multiple demurrers to the complaint, and the Court has issued orders allowing the case to proceed. Defendants filed another demurrer on March 17, 2016, which was denied by the Court on August 12, 2016. On October 4, 2017, the Court granted Mr. Attia leave to amend the complaint to add causes of action against defendants for civil violations of the federal Racketeer Influenced and Corrupt Organizations Act (commonly known as RICO). Subsequently, on October 23, 2017, the defendants removed the lawsuit from California state court to the federal district court in the Northern District of California, San Jose Division. The parties continue to file motions and are expected to begin the discovery phase of the litigation in January 2018.

MAX SOUND ANNOUNCES COALITION AGAINST GOOGLE

Since the announcement, many victims have come forward and joined this coalition. Our team has been working many hard hours every day compiling a growing database of Google victims and just released, “The Catalog of Google Crimes” version 1. You can go to http://GoogleCrimes.org and download The Catalog, which will be updated monthly due to the massive growing number of victims. The site also allows everyone to add their stories with Google to the Catalog by using the submission page and last, you can delete Google and all of its products from your life permanently by following the step-by-step supplement at http://GoogleCrimes.org/take-back-your-privacy

Stay tuned for updates on this transpiring accumulation of facts and data.

SEC COMPLAINT STOCK MANIPULATION

Max Sound Corporation (MAXD) has and is being victimized by Manipulative Trading Practices and Abusive Naked Short Selling for the past three years with the culprit’s objective to lower the price and harm the Company.


The Company filed the above press release on September 7, 2017. A week later, 117 million shares traded. A few days after that 703 million shares traded, and the next day 242 million more shares traded setting the estimated average cost of buying these shares at .002.

From those large trades that ended on September 20, through November 17, over One Billion shares were sold back into the market at a loss of 50% or more keeping a constant depressed stock price by the same market makers that the shares traded through. These same market makers remain on the front line of level 2 “bid and ask” even as I compose this letter making every effort to depress Max Sound’s stock price.

SUMMARY

2017 has been a year of great challenges and, at the same time, we achieved a lot of forward movement from several major issues that were resolved in 4th Quarter of 2016.

Some of these include: 1. Max Sound settled the litigation with Vedanti on the ODT patents along with the addition of VLL a strong financial partner to share in the expense moving forward against Google. 2. We made huge forward progress on the EA lawsuit against Google, Larry Page and Sergey Brin with the Courts Order allowing RICO (Racketeer Influenced Corrupt Organization) to be added to the claim. 3. In June, we received the Biometrics MAX-D Audio Patent, which is a cutting-edge technology for all companies in need of another layer of Biometric Security to defend against the ever-growing threat of cyber-hacking. 4. A successful launch of MAX-D Voice at Qualcomm’s Hong Kong Tech Summit. 5. A consolidated and Increased R&D capability to rapidly deploy MAX-D across all relevant chip based technologies and 6. We improved the MAXD App by adding Spotify for streaming.

We continue to strive and move forward with our technologies and litigations while at the same time minimizing debt and dilution as much as possible. While nothing has moved nearly as fast as we had all hoped, with the progress we’ve made in the past quarter, we
are more optimistic than ever that success through major brand recognition and revenue is imminent in 2018.

Thank you sincerely for taking up your valuable time to go over this with us and for your continued support.

Very truly yours,

John Blaisure - CEO
Max Sound Corporation

ABOUT MAX SOUND CORPORATION
MAX-D is to audio what HD (High Definition) is to video. The MAX-D® Audio Process makes everything sound better and can convert any audio file to high definition quality while significantly reducing the file size. Visit us www.mymaxd.com. Max Sound® and MAX-D® are Registered Trademarks and Patent Pending technologies wholly owned by Max Sound Corporation. All other trademarks are the property of their respective owners.

ABOUT MAX-D HD AUDIO TECHNOLOGY
The MAX-D HD Audio Technology is currently delivering Clean, High Definition Audio without increasing file size - fitting life-like HD Audio into our existing gigantic ever-growing compressed audio eco-system. We believe that we are nearing additional licensing adoption with a number of companies interested in the cost savings provided by MAX-D as we reduce data streaming costs while providing a higher quality HD Audio experience.

In parallel to providing reduce data streaming costs, we also provide additional savings to potential licensors by delivering a nearly seamless low cost changeover. The MAX-D Technology can now be added quickly and economically to any industry or audio platform, as there is no need for bigger pipes, bigger servers, new consumer appliances, or higher data costs (which would be rejected by today's cost-conscious consumers and data providers).

Although smaller file sizes and cost savings are beginning to captivate companies who are looking closely at their bottom-lines. The average consumer is interested in the CLEAN HD SOUND! Whether your music is streamed with MAX-D or voice is processed with MAX-D - MAX-D HD Audio Simply Sounds Better. Consumers agree that MAX-D MP3 files sound incredible (yet remains one-tenth the size of a .wav file). MAX-D provides more clarity, dimension, articulation and impact in every range of the audio spectrum while random artifacts and harshness are gone.

ABOUT MAX-D API
MAX-D API (Application Programming Interface). This API allows the MAX-D algorithm to be inserted into applications such as streaming services, auto head units, DSP memory in chips and speakers, developer platforms and web-based applications.

ABOUT MAX-D HD AUDIO APP PLAYER
We have grown our MAX-D HD Audio App user base to over 500,000 subscribers on Android and IOS. This is an increase of approx. 400% from the 2015 110,000 subscribers, and we continue to increase the subscriber base. The MAX-D HD Audio App for MP3's on Android; and the MAX-D Apple iOS App (which will support the iPhone 5 and 6 series smartphones) is currently available on the Apple App Store.
ABOUT THE STREAMING INDUSTRY: MAX-D can save these large streaming companies many millions of dollars annually. Our new engineering and programing teams will be working hand-in-hand right now to accomplish a successful integration of MAX-D into industry streaming leaders.

ABOUT MAX-D HEARING HEALTH
On March 11 of 2015, we announced the successful results of a University of Florida study demonstrating MAX-D’s hearing health benefits. Our Chairman met with leaders in Washington DC from the Congressional Hearing Health Caucus and the National Institute of Health to discuss our role in helping to bring awareness on how the current audio ecosystem is destroying the Hearing Health of our youth and how MAX-D can play a role in reversing this silent epidemic.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Statements in this press release which are not purely historical, including statements regarding Max Sound's intentions, beliefs, expectations, representations, projections, plans or strategies regarding the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risks associated with the effect of changing economic conditions, trends in the products markets, variations in the company's cash flow or adequacy of capital resources, market acceptance risks, technical development risks, and other risk factors. The company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Max Sound disclaims any obligation and does not undertake to update or revise any forward-looking statements in this press release. Expanded and historical information is made available to the public by Max Sound Corporation and its Affiliates on its website www.maxsound.com or at www.sec.gov

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