

From: Raquel Velasco and Bill Buck [bbrv@earthlink.net]
To: Bill McEwen" bill@amiga.com
Cc: klee@outbackinc.com
Subject: Comments on your proposal
Date: Fri 1/12/01 1:36 PM

Dear Bill, thanks for answering me in such a detailed manner. We are going to think more deeply about some of your objections and comments, but I cannot resist at least making a couple of comments right away:

1. You own the crown jewels, we don't nor did we dare propose that we did. It is just that there can only be one direction for an OS otherwise YOU lose control. Our intent was to maintain the flexibility to do what we thought was best, but then turn it over to you to manage and distribute to the rest of the world. The idea was to give you two development efforts for the price of one. You said DE was the way. The classic OS and its development is another. The license we proposed is the same as we have now, but you have "twice" as much to license to the world.

2. I never said we were not ready to pay something, but we want to pay an advance against royalties. We are doing something you cannot do with your resources and relationships, and stated and current direction. We were trying to propose a partnership.

3. I discussed everything very openly with Fleecy. He gave me the impression, and stated, that he did not have a problem with our approach. You are licensing us; we are seeking your approval. That is what we were trying to do.

4. By definition DE and the Amiga OS cannot have the same API, so you missed me on this. We see them as two different things. Amiga OS is an operating system; DE is something different that makes lots of things work in other than Amiga operating system environments (where most of the world is). In either case the objective is to make a whole bunch of applications work on many different types of consumer devices. I thought your goal was to create a publishing environment. Right now you have one direction; we proposed you another with which you gain the same benefit for the same effort you are making today but with twice as much potential success. Right now both ideas are beginning at zero.

5. $250,000/4.50 = 55,555$ units
I will think about this number.

BUT, if you want us to commit to this or even 20% of this you have to give us some flexibility with the OS and a payment schedule. You are getting financing. Build us into your business plan. Make us part of your success.

6. You are getting \$20 to \$50 for a few units if you are lucky. I will be the stand up guy that tells you this. Be honest with yourself, how many SDKs have you really sold? Do you really believe that these set-top box guys are going to pull it off? Maybe in 1996, but not today not when there are too many other factors -- and certainly not in 100,000 unit orders -- I wish you the best, but it will not happen. Fleecy told me he wants to push the OS in the direction of the home server...this too is what your business plan alludes too. Great concept! How do we get there from here? Without something successful in the market, without momentum: forget it. I am not sure the X Box will even make it. Give some thought to were Sega and Nintendo are today (and Nintendo is thanking God there is a Game Boy). I sent this initial response only to King and you. If you want some REAL help and someone who can bring all these people over here into line then let

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US (you and me) get to work. Let us figure this out. Nobody is trying to everything for nothing. Sadly, right now there IS nothing and we like you would like to make something with you. Try to analyze what we proposed in another way and let us talk on Monday. We will think some more too. Consider PALM and HAND, or what did Psion recently did after they were "orbiting the moon." What you want to do and what we want to do are two different things... I will stop for now, but I am getting even more ideas as I write...:) Sincerely,
Raquel and Bill