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To: Vaughn Rhodes@Desktop@PCMkt Hou
Cc:
Bcc:
From: Steve Decker@Pur@Pur Hou
Subject: Fwd:Marvel...Here it comes!
Date: Friday, November 11, 1994 3:12 PM
Attach:
Certify: N
Forwarded By: Steve Decker@Pur@Pur Hou

Comments by: Steve Decker@Pur@Pur Hou
Originally To: Rod Schrock@Desktop@PCMkt Hou, Greg Memo@Desktop@PCMkt Hou
Original Date: Friday, November 11, 1994 at 6:17:47 am CST
Originally From: Steve Decker@Pur@Pur Hou
Comments:

Let me know how you want to proceed here. I think the sooner the better, since we are only 3-4 months from Win 95 final release and this negotiation with MS will not be an easy one!

Steve
----------[Original Message]----------
While in a conference call with Microsoft yesterday, Microsoft mentioned that Marvel is in the M7 release of Windows 95. This is no surprise, as MS has said that it would be a part of the OS. This is the first time, to my knowledge, we will actually see the code in Windows 95. I formally documented Compaq's displeasure with the MS model of using Compaq to distribute/seed the market for Marvel with no revenue participation as compensation, but I am sure this was given little attention. To my knowledge, no one in Compaq Upper Management has shot back at MS on this, so folks here it comes!

I might also point out that for the pleasure of distributing Marvel, Compaq will also 1. Pick up any addition deliverable cost (added docs), 2. Support the product, and 3. Be shipping an On-Line service to our Commercial customer as well, since it's in the OS. As you know, this is not the case with any of our current relationships with our other On-Line service providers. Since MS intends to undercut the competition from a monthly billing perspective and since they will be getting easy and free distribution of Marvel, more likely then not Compaq will see the $200,000 per month (and growing) revenue stream from AOL drop off substantially.

We have recently seen that trying to get MS to agree to something that is out of their normal model is difficult and even if agreed to, sometimes we still cannot get it done! What they do understand is royalties. My opinion is at the very least we might insist on a reduction on our OS royalties as

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compensation.

Fred, be interested to know your feeling, as someone running a large Corporate IM organization,to how you will handle having an on-line service distributed to all your knowledge workers here in Compaq!

Steve D