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From malvinh Tue Oct 17 13:42:23 1989  
To: jeffl  
Subject: Sun Moon Star  
Cc: malvinh richardf  
Date: Tue Oct 17 13:42:21 1989

I met with them last week in San Jose. Sun Moon Star (SMS) is one of six subs of Sun Moon Star Group (SMS Group). SMS falls under the Communication Sub. SMS is a CA Corp. The license we are working on is w/ SMS and will be signed by CA. The PC's they plan to ship into the US market will be built in San Jose. PC's which will go into NON-US markets will be built on Taiwan.

>From what I gathered, SMS Group will allow each sub to sign it's own deals. Thus, we need to be careful about price quotes. Also, one of the gents I met w/ was a Donald P.D) Wang, who from what I understood was Chariman and his family is SMS Group. He had just returned from Taiwan.

We are taking to them about 4.01 & 3.3 for their 386SX PC along Win386 3.0.

SMS has been in "bed" w/ DRI since DRI-DOS began. I asked what % of their entire product would MS be on. Donald said 50% first year and less in future. I then asked why, he said because DRI will do ANYTHING SMS needs and that is why they (SMS) will give majority of business to DRI. i.e., At Comdex (where the SMS 386SX) will have grand unveiling they will have DRI on pc's. In the DRI booth, there will be 100% SMS PC's. Donald asked me would MS have given them such visibilty, to which I said we would have considered". (And only to save face, knowing pretty well, no way, IBM, then Compaq, then Zenith, then NCR, etc. as you know is MS).

In addition, Donald said that his DRI price is less than 50% of our price.

For now the plan is: 1) To close the 50k per year (2yr) license for MS-DOS 3.3 & 4.01 and Win386 3.0. 2) To get them to show MS/Win 3.0 at Comdex. 3) Discuss w/in MS what we are willing to give them to displace DRI and the various s/w bundle ties they already have.

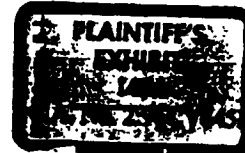
We had a good meeting and they are interested closing above deal and open for further realtionship building.

By the way, they plan to entire into Europe; Canada; Mexico; So. America (via Chile).

Richard, I did not copy anyone else besides you and Lum in case you wanted to add anything first.

malvin

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