



From: Kurt Kolb
Sent: Tuesday, September 02, 1997 12:55 PM
To: Bengt Akerlind; Richard Barrie
Cc: Peter Miller (LCA)
Subject: RE: Leasing Questions
Signed By: 2537
Security Label: Signed - Invalid signature

Bengt - the office group thinks they can get an additional \$300 per copy of MSOFFICE over the standard retail price for a 2-year lease, pilot runs this holiday. Can we hold off your oems until more detail comes back from this test?

If no, and if leasing is truly just "flexible financing" from the oem -

Why not just make the oem (all oems) pay full oem royalty every time the leasee name changes - OS and limit apps to MS Office SBE.
Do the same for MS Office Standard if we are still getting >\$200 for the product.

same term, > 1 year leases only.

kurt

-----Original Message-----

From: Peter Miller (LCA)
Sent: Tuesday, September 02, 1997 10:37 AM
To: Patrick McMahon (LCA); Robert McAuley; Bill Henningsgaard; Peter Boit
Cc: Brian McEachron (LCA); Kurt Kolb; Bengt Akerlind; Richard Barrie
Subject: RE: Leasing Questions

**Privilege Material
Redacted**

-----Original Message-----

From: Patrick McMahon (LCA)
Sent: Tuesday, September 02, 1997 7:40 AM
To: Robert McAuley; Bill Henningsgaard; Peter Boit
Cc: Brian McEachron (LCA); Peter Miller (LCA)
Subject: Leasing Questions

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MS-PCA 2599173

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From: Richard Barrie
Sent: Monday, September 08, 1997 5:55 PM
To: Bengt Akerlind; Kurt Kolb
Cc: Peter Miller (LCA)
Subject: RE: Leasing Questions

Jason Kap and I talked to Dell today on this.

For >90% of leasing we are talking about the lease as flexible financing so the end-user will ultimately end up owning the PC and the s/w - from this perspective there is no issue with MS s/w, either OS or apps as this is a PC purchase with finance terms similar to those offered by retailers such as CompUSA.

For leasing where the system is returned at the end of the lease period (<10% of occasions) then the software is also returned. The PC has its hard drive wiped and a new set of s/w (with new license, COA and royalty) is installed. If a PC is leased 3 times over 3 years then MS will get the OEM royalty 3 times. The Lease letter which is an adjunct to the OEM agreement describes this.

MS does have an issue with some IMD titles since MS's license agreement with the 3rd parties that provide content for Encarta specifically prohibit leasing of such titles.

-----Original Message-----
From: Bengt Akerlind
Sent: Monday, September 08, 1997 8:18 AM
To: Kurt Kolb; Richard Barrie
Cc: Peter Miller (LCA)
Subject: RE: Leasing Questions

Should try. Richard, please discuss with dell and report.

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