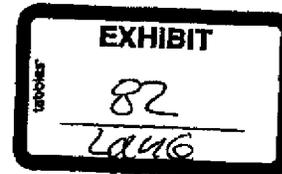


From: Richard Lang
Sent: Monday, April 10, 2000 5:34 PM
To: Kyle Faulkner
Subject: RE: Update Burst



Hi Kyle. Thanks for the response. I don't want to go over every point in this email. In general:

1. I received my copy of your email asking for input from sales, etc. regarding bugs. This is a great step.
2. We have shifted focus from an enterprise solution to an Internet product, so I do agree that engineering issues would naturally ensue.
3. My sense of your response is that while you praise engineering for its good work (which I do as well), I don't see anything that indicates the possibility that engineering might be able to improve in any way, or has any responsibility for any problems in our company. You state that the ability to execute as our success grows is your primary concern. It is mine as well, so I have to look to every department to participate in that. If we are going to execute as a team, we need to do it with everyone pulling in the same direction. At other times in the past, the heat has been on sales and then on marketing to deliver. Now some of that is being asked of engineering as well. This doesn't mean that people are pointing fingers at engineering. It means that as we shift our strategy to address the market that is clearly emerging for us (and that you agreed should be our increasing focus) we have to be nimble and proactive about making our customers successful from an engineering perspective as well. No single department is to blame and no single department is exempt from some responsibility. If our growing pains affect our company, we are all responsible and we must all help to get the job done. Complaining alone won't do the trick.

You have done a consistently good job of responding to the changing needs of our company and I have no doubt that you will come through again. We can discuss individual particulars at the show (Wednesday night I already have a dinner appointment; how about breakfast Thursday? Let me know at the show). Let's work together and inspire the rest of our team to step up to the plate and get the job done. We've all got a lot to gain.

Richard

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

From: Kyle Faulkner
Sent: Monday, April 10, 2000 2:17 PM
To: Kyle Faulkner; Richard Lang
Subject: FW: Update Burst

First Pass:

Hi Richard:

1. I think this summary is highly simplified
 - There have been a number of bugs in the product that have been detected by the field. This is not a large number really about 3 or so. This is partly due to the fact that the company became a low bit rate Internet company without a plan - we just started selling this. I am actually not aware of any field critical bugs that remain outstanding at this time.
 - I think Engineering has been quick to respond to these problems and I would hope we continue to be so. I do think that we have made dramatic progress with the low bit rate support in response to the new company focus.
 - I don't think all the bugs are gone or probably will ever be. This is just

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the nature of software. When delivering from MMS it crashes on my machine and a number of others reported this also when I got people to run the comparison pages. We are never going to be better than the base player we are burst-enabling. Yet internally Burstware is held to a different standard. This is also true about the writing of HTML web pages to show video. Much of the complexity that people are upset about comes from WMP and not us. This complexity exists and must properly managed with or without Burstware.

- The product messaging is actually at the heart of some of these customer problems. We have for a long time insisted on messaging which is not true (we do not "guarantee" in any real sense of the word, we cannot) against my repeated objections and perhaps we are now getting bit by this.

Some other comments:

1. I think that this company works where everyone wants to point fingers
This is due to a lack of accountability really. I have never worked in such a disfunctional organization. I think there are good people here but we do not operate on the same page going in the same direction. There is a lot of back stabbing and pointing of fingers which is completely counter productive. This is the core issue for me, how can we focus and lead the company so we are clear on what we are doing and why and there is consistent accountability to meet our shared goals.
2. I think we are the ones that made up these revenue numbers and they need to include things like money back clauses. I have been very concerned about this as I have raised it at the strategy and other times. I have not read the exact clause in our sales agreements so I do not understand how this failure to claim income is a technical one (I will try to get an agreement to review). I do understand that if you allow a customer some time to delay paying they will tend to do this.

Also see the notes below.

Thanks

Kyle

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

From: Richard Lang
Sent: Monday, April 10, 2000 10:29 AM
To: Kyle Faulkner
Subject: RE: Update Burst

Hello Kyle, sorry to welcome you back from vacation with this, but...

I am hearing that even though every single time a customer installs Burstware they have a problem with the player side, it is always their problem. Is this possible?

>>> There have been some actual product issues which have been generally quickly fixed. The question is can we be specific on this? Can we write down specific issues so we can track it and work on resolution (this is really the call tracking software we have been saying is mission critical for so long. Without it we lack hard information and waste a lot of energy.) Also we don't hear as much about from the folks who are competent. The Interzest site was up and running with no interaction from us for example.

Where is our QA department in all of this?

>>> Sales sold to the low bit rate internet when we said we had NO MODEMS and NO DSL and NO ISDN capability here. We now have some and have made significant progress on testing for these kind of deployments. I have always said that our biggest problem will be specific machines with specific configurations, not all of which we can anticipate. I think this will continue to be the case. From my perspective I am very happy with the level of quality we have been able to produce on these aggressive cycles and changing

company focus. I am quite willing to discuss.

Primestream is only one example, but when you add them all up, it means that even though we have signed up \$480K in business, accounting rules will only let us book \$100K, because the customers are not yet satisfied that they have had a successful install, and therefore can't take the revenue because if they change their mind or don't go through with the sale, we have to restate earnings, which is horrible.

>>> I think that any contract with any kind of money back guarantee cannot be booked. This is not a new rule or anything. How did we get surprised by this?

But almost as horrible is the fact that I have been going out to investors and analysts for the last 3 months and representing a revenue number that is turning to be miles away from accurate because no customer can successfully install the player side. There is always a bug.

>>> I don't think these "rumors" have been substantiated. I can pull the actual list of bugs found in the field from census and will probably do so. I will also work with sales to get this list of remaining issues.

And the response from June is that we need more info from the field. I thought that QA was supposed to catch these things? Perhaps we should get an outside QA organization on the case ASAP.

>> We have tried very hard. The first testing group after months of chasing them down wanted about 25k for a few days of work and did not want us to come see their facility. We are now talking to another group who sounds professional. They do not have all the capability we need but they can help in some ways. As of today the earliest they can start is in May and we are on their docket. If you look back even to last fall I have been pushing this and have been trying to locate reputable firms to work with (the roundtable was polled a number of times) it has just been fairly difficult but it seems we have some progress.

I need some accountability and some results, fast. You yourself has made accountability an issue that needs to be dealt with in our company, pointing to other departments, rightly so.

>>> I have also tried to create accountability in engineering with the product technology group and the PFR and MPR process. This has been of limited effectiveness todate but I would say that because of it Engineering has the most accountability. I am quite willing to continue this comitment to accountability and would like to see it spread.

>>> I will work with Sales to identify any product bugs which the customers are blocked on so that we have a finite list to review.

I realize that we have some talented people and that the desire is there, but at this point, all of our hard efforts are being jeopardized by this issue in engineering. Kyle, let's discuss this further at NAB. Thank you. Richard

>>> So am I frustrated and deeply concerned about our ability to execute as a company? You bet. I do think I have tried to voice these concerns many times but I don't see much happening. As our success grows our inability to execute becomes more clear.

>>> I am quite willing to discuss this at NAB. I get in around midnight on Tuesday so that is difficult tomorrow night. Wednesday is probably better.

Thanks

Kyle

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

From: June White
Sent: Friday, April 07, 2000 2:50 PM
To: Tom Koshy; Kyle Faulkner
Cc: Richard Lang
Subject: RE: Update Burst

I hope you are aware that this is not a product issue. It has to do with their Web site. Richard Vasquez fixed some pages on their site so that they could execute the demo earlier this week. Their Web site has to be rewritten! I now have Richard and Ed Lyons trying to figure out these new problem. Richard has a template for the bridge download. He needs to give this to someone at Primestream. I have notified Dave. The other issue relates to Netscape not our product.

Ed is also on the critical path for Columbo so this is definitely impacting our schedule.

Thanks.

June

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

From: Tom Koshy
Sent: Friday, April 07, 2000 11:17 AM
To: June White; Kyle Faulkner
Cc: Richard Lang
Subject: FW: Update Burst

Kyle/June,

Please look into the bridge issue asap and come up with a solution. We cannot afford to loose customers at this juncture of our business. Please let us know what the proposed action is.

Tom

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

From: Dave Egan
Sent: Friday, April 07, 2000 10:36 AM
To: Tom Koshy
Subject: FW: Update Burst

Tom,

FYI. This is a common problem. The stability of the bridge and the ease of the installation of the bridgecheck is a significant problem. Engineering is well aware of this. Sales is expending a significant part of our resources resolving these issues for customers in order to keep this whole thing going. This is a common problem with most of our customers.

Dave

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

From: FranV4370@aol.com [mailto:FranV4370@aol.com]
Sent: Friday, April 07, 2000 4:13 AM
To: daveegan@burst.com
Cc: laurentlawton@burst.com
Subject: Fwd: Update Burst

Dave,

Here we go again, they all want to pay, however, they all have the same concerns about the reliability of Burstware, consistently working?
Fran V