

8-6-2005/SAT

Dear Luanne,

From a historian's point of view, this is a sad story.

Len Israelstam, my good friend and longtime business associate, as you now know, is completely out of the companies he founded and ran.

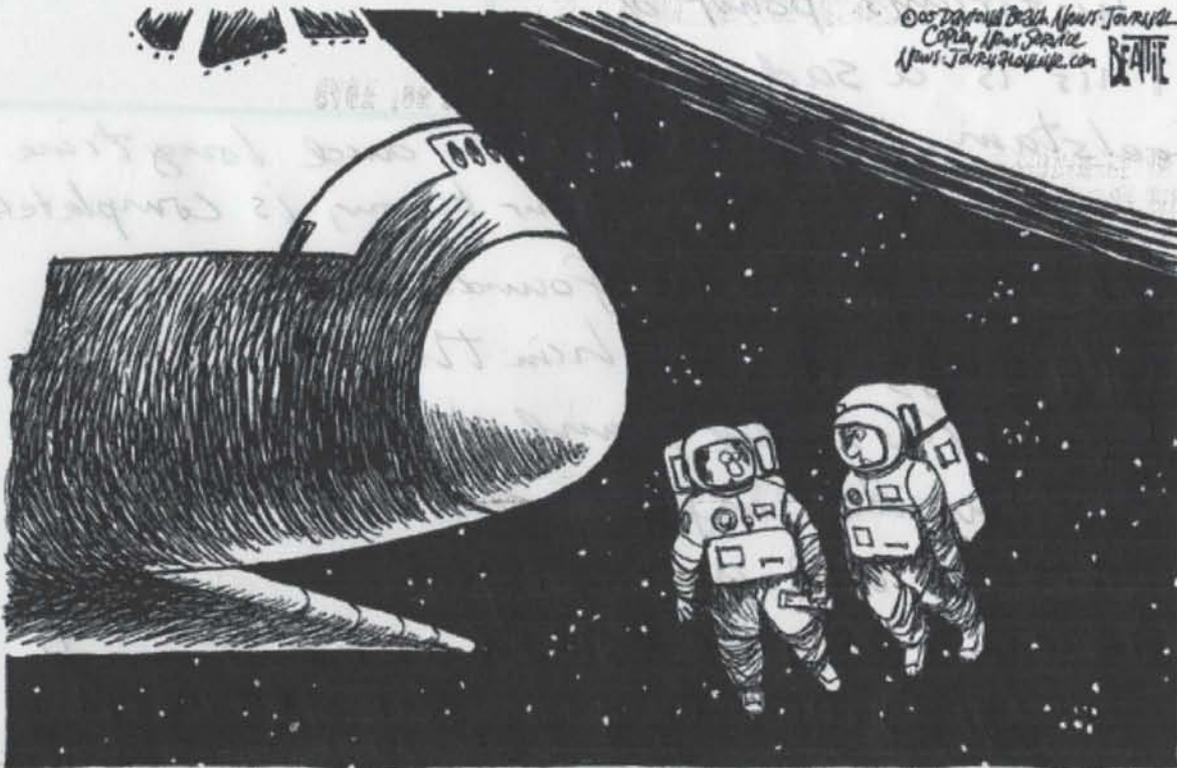
I strongly suggested to him that he search his old files (as I did) and donate some significant written information to the CUM in connection with your project.

The other day he FAXED (he + I go way back to teletype) me everything he found. A two page letter dated March 26, 1975 to him from Bob Preger - a capable guy I hired to help me set up distributors around the world. He is "Sir Robert" in Jim Addis famous paper.

So, it's all in Len's head. I am very happy he is willing to participate and follow your direction.

In the next few years, I was busy setting up Regional Offices around the States and hiring (and firing - normal business) staff. Bob put in a "bid" for San Francisco. I gave it to him. Our office (Bob's) was a houseboat in Sausalito. I visited there a few times to close deals then Bob didn't need my help anymore as he matured. As the organization grew rapidly, I kept getting better at hiring talent and I had to pick a VP of Sales. I picked a new hire that was far superior (can't remember his name - ex CEO of a software Co. that hit the wall - met him at an ADAPSO mtg. - "Courier"?). Bob got mad at me and jumped to ORACLE - Larry Ellison was

P.T.O.



"It could be worse . . . we could be trying to repair the Iraqi constitution."

Impressed with Bob's experience with me and Larry gave him "International" and Bob was very successful at it - while most of the other execs focused on the U.S. Bob became a "hero" in the company and retired early with a "ton" of money and stock.

About 1991, I got a call from Bob from California. He said, "John, I have a 3 hour layover at Dulles tomorrow. Can you meet with me?" I said, "sure" and we had a pleasant 2 hour meeting at Dulles. He thanked me a lot for all that he learned from me. He just had a divorce and the ex-wife (two children) received half of the "TON". I have no idea

where Bob is today. John

on the way to Europe.

software ag

March 26, 1975

Mr. L. S. Israelstam
Managing Director
Systems Programming (Pty.) Ltd.
Box 78081
Sandton 2146 Transvaal
South Africa

Dear Mr. Israelstam:

Thank you for your letter of March 18. I was glad to hear that you have received the material we sent you. Thank you for the information about your company (SPL Overview) and data processing environment in South Africa.

We now have agreements for marketing and supporting ADABAS with companies in Europe, North America, South America, and Japan. These agreements take the form of a percentage royalty being paid to software ag for each installation, sale or lease. We have found that the components of a successful agreement are as follows:

- A significant investment on your part, is necessary in terms of time and travel expenses, to ensure that your technical staff receives proper training in ADABAS. This could involve:
 - sending key staff members to the States (or possibly to England) to work with our technical staff in actual ADABAS installations and demonstrations, or
 - having one member of our technical staff spend some time (2-3 weeks) in South Africa working with your staff on some demonstrations of ADABAS which you could arrange with clients, or
 - some combination of the above.
- A significant investment on your part is necessary to market ADABAS in South Africa in terms of advertising and arranging for presentations at seminars.
- An equitable royalty must be provided to you so that if you succeed, your investments would have made sound financial sense
- For its part, software ag will provide to you as an affiliate, a continuous stream of technical and marketing material to support your ADABAS activity. From a technical viewpoint we will distribute all pertinent technical memorandums and corrective ZAPs as soon as they are issued. From a marketing viewpoint you will receive and contribute to a world-wide marketing activity report and you will, of course, receive all marketing material, reports, and press releases.

11800 Sunrise Valley Dr. Reston, Va. 22091 (703) 620-9577 620-9498

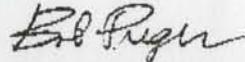
March 26, 1975

- If you come across a technical problem which you cannot resolve in South Africa, you will be able to consult with our technical staff in the States or with the technical staff in Germany.

If, upon your review of the ADABAS material, you feel you would like to move toward such an agreement with us, it would be necessary to arrange a meeting. Several alternatives are possible. You could meet with Peter Kreis in Darmstadt, West Germany, you could meet with John Maguire and myself in the States, or one of us could meet with you in South Africa. If you are anticipating a trip to Europe or the States we could easily arrange for such a meeting.

I look forward to hearing from you soon concerning your ideas on how we should proceed.

Sincerely,



Robert Lawrence Preger
Manager, International Liaison

P. S. I feel it only fair to advise you that we have recently received an inquiry from another South African firm which is interested in representing us. However, as of now we know almost nothing about that company and have simply responded to them with information.

RLP:msa

cc: Peter Kreis, Chairman of the Board, software ag
John Maguire, President, software ag of North America, Inc.