



MIVA MERCHANT

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Dear Valued Miva Merchant Host,

I'm writing you today to tell you about a fundamental change in our business model that will impact you starting May 1<sup>st</sup>. **We are changing all hosting contracts as of May 1, 2009** from a licensing model to a software-as-a-service model.

This change will allow us to offer enormous benefits to your clients as outlined here:

- 5.5 feature upgrades streamed out at *no cost or disruption*
- Continuous feature upgrades to 5.5 *without additional fees*
- Bug fixes and critical patches *for both Miva Merchant 4 and 5.5*
- PA-DSS compliance *for both Miva Merchant 4 and 5.5*
- *Free* upgrade licensing to 5.5

To make this possible you will be required to pay a small software SaaS fee for each Miva Merchant 4.x and 5.x store license that you have active in any given month. I encourage you to pass part of (or all of) this small fee through to your clients in light of the long-term support and benefits they will receive.

The change represents the collision of two concepts that we have struggled with since the inception of Miva Merchant. We have been selling a service-intensive product using a software product model. This does not produce the revenue required to continually support the complex, changing, and mission-critical software platform that your customers rely on. Without this change, there is no way we can continue to offer support for the Miva Merchant 4 platform so long after the introduction of Miva Merchant 5.

As it is now, our entire development team is routinely re-directed to fix critical issues with version 4 that are caused by third-party changes – such as the recent Authorize.net and Payflow Pro outages. Obviously, the revenue generated from sales of version 4 many years ago does not provide the financial resources necessary to continue to support this platform so long after the introduction of Miva Merchant 5.5 (let alone the huge undertaking to make version 4 PA-DSS certified). The same holds true for Miva Merchant 5 upgrades, patches, critical fixes and all that is involved with the PCI and PA-DSS requirements necessary to keep it fully certified for credit card processing.

Thank you for your support and understanding. You have our commitment to keep Miva Merchant the leading E-Commerce platform in existence.

Sincerely,

Russ Carroll, CEO