

February 10, 1995

Mr. Eric Nee
Editor in Chief
Upside Magazine
2015 Pioneer Court
San Mateo, CA 94403

Dear Sir:

Thanks for the Article titled "The Unkindest Cut" about my friend and mentor, Carmelo Santoro, by Kathleen Murray in the March 1995 issue of Upside. Unfortunately, my decision to remain silent during and after my departure from Ashton Tate, while professional, allowed much misinformation to become conventional accepted "fact". Therefore, I must clear up some facts about that time in Ashton Tate's history, many of which may be verified in publicly available documents.

First, it is indisputable that our premature shipment of dBase IV 1.0 was a disaster. It was caused, in part, by the Board's constant pressure to ship. Also, Ashton Tate, like most acquisitive companies, did botch the acquisitions of Multimate and Decision Resources, failing to capitalize on their full market positions. However, two of our three Macintosh products were outstanding, FullWrite and FullImpact, possessing features over five years ago that Microsoft Word and Excel are just now matching.

There were no copyright problems with dBase, only a federal judge who made a bad ruling and reversed himself a year later. Unfortunately, considerable damage was done to Ashton Tate by his lack of initial due diligence. There was, and continues to be, controversy surrounding what is and what is not protectable and proprietary about software.

The board did ask me to resign, but it had nothing to do with not acting fast enough. I initiated a painful 25% reduction in headcount and was well on the way to shipping dBase IV 1.1 by July 31, 1990, the date I told the board it would ship and the date that it ultimately did ship. The dispute was over whether to merge with Borland and form the PC industries most formidable database company before we shipped dBase IV 1.1. The board wanted to wait and in their judgment potentially receive a higher valuation. Unfortunately, they were wrong. The one year delay significantly reduced Ashton Tate's market value, resulting in a mercy killing of Ashton Tate and the shareholders receiving one-fourth the value they would have received had we merged in April 1990, as I initially proposed. In addition, there was the normal controversy of turning around a company: prune product lines and diminish the future or grow your way out. I am obviously a company "grower".

The final and most inaccurate part of the article regarding Ashton Tate is about William Lyons. William Lyons was not brought in by the board. In fact, I hired William Lyons, over a year earlier, after his initial career at IBM, to run the Northern California Development Center, comprised of the Word Processing, Graphics and Macintosh product lines.

Edward M. Esber, Jr.
Chairman and CEO Creative Insights, Inc.
20605 Valley Green Drive
Cupertino, CA 95014

As printed by Upside Magazine

L E T T E R S T O U P S I D E

For the Record

Thanks for the article about my friend and mentor, Carmelo Santoro ["The Unkindest Cut," March 1995]. Unfortunately, my decision to remain silent during and after my departure from Ashton-Tate allowed much misinformation to become accepted as "fact."

Although the board did ask me to resign, it had nothing to do with not acting fast enough. The dispute was over whether to merge with Borland and form the PC industry's most formidable database company before we shipped dBase IV 1.1. The board wanted to wait and potentially receive a higher valuation. Unfortunately, the one-year delay significantly reduced Ashton-Tate's market value. Shareholders received one-fourth the value they would have received had we merged in April 1990, as I initially proposed.

The most inaccurate part of the article is about William Lyons. He was not brought in by the board. I hired him over a year earlier to run the Northern California Development Center.

Edward M. Esber, Jr.
(Former Ashton-Tate CEO) Chairman and CEO
Creative Insights Inc.
Cupertino, Calif.

Upside Magazine *May 1995*