

Update Bulletin

Connected Payments and Services Billing Changes

March 4, 2011

Retalix Finance is confident they have fixed the technical and operational billing and invoicing issues that have been such a problem for customers and dealers.

Several steps are being taken:

- Billings and invoicing are on track to be accurate and completed in two steps during March.
- A special letter of apology is being sent by Retalix Financial Operations Manager Matt Holmes to every Connected Services and Connected Payments customer.
- This letter also spells out exactly what invoices, services and amounts that particular customer will be billed for in the upcoming cycle.
- The letter announces that all Connected accounts will move to a new monthly billing cycle starting April 1. *Going forward, the customer will be charged the same amount every month* – no more 4-4-5 weekly cycles that added to the confusion with seemingly random amounts.
- The monthly amount will be the annual fees divided by 12. The annual cost and cost per week will be exactly the same, but billed in 12 equal monthly amounts so there will be no question what the amount should be and the service period covered.
- Matt also provides an e-mail and telephone number for Amy Scott so that customers can contact her directly with any problems and questions.

Please see the text of Matt's letter to the Connected Services and Connected Payments customers reproduced on the following page.

Thank you,



Anthony van Soester



StoreNext Retail Technologies LLC
6100 Tennyson Parkway, Suite 130
Plano, TX 75024
Tel.: 972-265-4800
Fax: 972-265-4801

February 25, 2011

To:
Fr: StoreNext Finance
Re: Invoicing and ACH Collections

Please accept my sincere thanks for your patience as we have worked through the many issues brought on by a new accounting system at Retailix. You have likely experienced the resulting delays and issues with the invoicing and collection of Connected Payments and Connected Services subscriptions, and I am greatly relieved to report to you that these problems have finally been resolved.

Going forward, to make your invoices regular and predictable, we are moving to a standardized monthly billing schedule as of April 1, 2011. Instead of the previous irregular billings of 4 weeks / 4 weeks / 5 weeks that many customers understandably found confusing, your monthly charges will be the same amount regardless of the month.

To arrive at the monthly subscription amount, the total annual subscription fees will be totaled and simply divided by 12. As a result, your monthly subscription will be the same every month, regardless of the number of days in that month. Your total annual subscription amount will be exactly the same as before, but with the added advantage of lining up along a standard monthly cycle.

The final invoice under the old system will be sent in mid-April, which will include the five-week service period ending in March plus the last four days of that month. Then, in mid-May, you will receive your first "monthly" invoice under the new system covering April.

At present, however, my staff is focused on cleaning up currently open invoices and completing our process for the change to automated monthly collections. For your own information, I have listed below the outstanding invoices on your account as of February 22, 2011. We plan collections of these open amounts on March 7 and March 11. You will see that that several service months may be drafted from your account at this time, depending on your Connected Payments/Services live date and what payment processing has already taken place with your account.

Again, we appreciate your patience and understanding as we work towards complete automation of billing and collections for Connected Payments and Connected Services. Amy Scott (ascott@storenext.com or 972-265-4838) will be happy to answer any questions you might have about your account or this improved system.

Sincerely,

Matthew Holmes
Financial Operations Manager

Outstanding Connected Payments/Connected Services invoices as of February 22, 2011:

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