Today I would like to announce that There is changing its strategic direction to focus on our technology platform.

We will continue to run the consumer service, but will need to make changes so that we can better al ign our costs and run this service profitably. As we go forward we will continue to evaluate the con sumer service and our ability to meet our financial goals on an ongoing basis.

All of us at There have poured our heart, soul, an d in many cases, significant financial investment into There these last few years. We have been inspired watching you, the community, also pour yourse lves into making There great and unique and so incredibly fun. We believe that virtual worlds like T here will continue to evolve, and want There to continue to play a key role in this evolution. By fo cusing on There as a platform, we believe it can p lay a role in any number of virtual worlds, including the one you've helped to build.

Effective today, these are the changes we are makin g to the consumer service:

- 1. We'll be open the same hours we are now, and we 'll continue to offer customer service through Liv e Help and email. (We haven't determined if custom er service hours will change, but will let you kno w if they do.)
- 2.We'll also continue to have in-world moderation to help control griefers.
- 3. We'll still be accepting developer submissions, although the approval time may take a bit longer.
- 4. We will still accept new members (monthly subscriptions only), and you'll still be able to purcha se Therebucks.

- 5. We will no longer be making regular updates to the software, and we will not be fixing bugs.
- 6. We're not sure yet how we'll handle There Central, but will get back to you when we do know.
- 7. We'll likely have some kind of newsletter, but it may be sent out less often than the twice a week it goes out now.
- 8. We'll be updating the Terms of Service soon to offer a 30-day money-back guarantee on membership fees.
- 9. We will no longer be sponsoring the Mentor or E vent Host Credit (EHC) programs, nor will we be paying Refer a Friend bonuses.

We will be posting a Q&A which will hopefully address some of your questions shortly.

Michael Wilson VP, Community

and a FAQ about the topic:

Important Changes at There, Inc. : Q&A Here are some Questions which we anticipated you may have, and some answers:

Q: Will There be reducing it's open hours?
A: No. There's service hours remain the same.

- Q. Will it be harder for me to reach customer support?
- A. It shouldn't be. As always, the best channels to reach us are email to help@there.com, and Live H elp.
- Q. What about griefers? Will you be doing anything

about griefers?

A: We will continue to offer in-world moderation, and will do what we can to help control griefers.

Q: Who will help users in-world with problems/train ing considering cuts to community helpers?

A: We hope that our Mentors will continue to greet new members, although we will no longer be paying them in Therebucks.

Q: How will There change now that the company is fo cused on building out the platform?

A:We will run the service across the same hours, we will still have customer support, and we will still accept and approve developer submissions. We're not yet sure how we'll handle There Central updates. We do know we will no longer be updating the software regularly, and will not be fixing bugs. Our engineering resources will be entirely dedicated to building tools and functions for our technology platform. In general, we will really be turning over the There experience to our members — its actually you who have been driving the bulk of the experience for awhile now.

O: Is There going to close?

A: No. The company has just received new funding a nd will continue to operate; only we will now be f ocusing most of our resources on building out our platform.

Q: What happens to my account if There shuts down the consumer service?

A: Again, we plan to continue to run the consumer service, and will be evaluating its financial perf ormance on an ongoing basis. If at some point, we determine that we can't run the service profitably, we will at that time notify you of any changes, and will let you know the status of your account.

Q: Are my Therebucks at risk?

A: As long as the service continues to run, you'll

be able to use your Therebucks just as you do right now.

Q: Is There being set up for acquisition?
A: No. The board of directors and the management t eam are all very positive that we have created a v aluable technology platform, and that we can remain independent as we continue to strive toward our milestones.

Q: Why is the membership only finding out now? A: This change is a business decision, and we're s haring it with you just after it was shared with the employees.

Q: Is this going to turn into a situation like oth er online worlds which have closed recently?

A: There is already succeeding on numerous levels - financial, partnership, technological and commit ment levels. We will continue to develop our techn ology platform, and will continue to keep our eyes open for the best opportunities for us in the con sumer marketplace.