



Noran Engineering Inc.

Makers of NE/Nastran
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ORIGINAL

September 4, 2002

RE: FTC Matter No. D. 9299

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, N. W.
Washington, D.C. 20580



Dear Sir or Madam:

This letter is to voice our objection, discontent, and disappointment with the FTC's decision in the matter of MSC Software Corporation Docket. No. 9299.

The MSC Software Corporation is our primary competitor. For the past seven years we have been selling an advanced version of NASTRAN on the world market. The FTC has made a mistake in their ruling by excluding Noran Engineering, Inc. (Nei) from the list of MSC competitors. NE/Nastran includes many advanced features and solutions, such as Non-Linear analysis, that were not found in the Nastran products MSC acquired in their acquisitions of Universal Analytics, Inc. (UAI) and Computerized Structural Analysis and Research Corp (CSA). NE/Nastran also includes numerous advancements over MSC.Nastran. Many solution types that require complex restarts and manipulations in MSC.Nastran have been seamlessly coded into NE/Nastran, resulting in a more user-friendly Nastran product.

We believe that this settlement does not accurately represent the current Nastran market, and respectfully request you to reevaluate your decision. Our business will be negatively affected by the creation of one or two additional major competitors. We have invested the time and money required into making a product that not only competes with MSC.Nastran, but is even preferred by many.

For example, M. Rosenblatt and Sons, a company with experience with both MSC.Nastran and CSA/NASTRAN. They switched to NE/Nastran after evaluating it and finding that our advanced DDAM solution greatly simplified the analysis work they perform for the US Navy. Many more testimonials can be found on our website at <http://www.nenastran.com/>.

NE/Nastran is a viable alternative for the vast majority of MSC.Nastran users. NEi has recently made great improvements, in a very short period of time, to make NE/Nastran fully compatible with MSC.Nastran; neither UAI/Nastran nor CSA/Nastran could claim this. MSC's acquisitions of UAI and CSA left a vacuum in the Nastran market and many customers were disenfranchised. NEi has devoted considerable resources to create a viable alternative product for them and others to use.

You, the FTC have said MSC has a monopoly on NASTRAN that prevents new innovation due to the lack of competing products. This theory has not held true thus far. Many of the new features in the MSC.Nastran's 2000 series products can be directly attributed to features that NE/Nastran pioneered.

We have several features like super fast PCGLSS solvers and advanced nonlinear in Nastran that MSC does not. Customers come to us for these products over MSC. If you continue with your present ruling, we will lose business unfairly and will not be able to provide the enhancements that our customers are requesting. This ruling will only create two or three big companies operating the same way, with identical products. The real innovations are coming from small businesses like ours. This ruling will essentially make it impossible for us to compete in the Nastran market.

NEi has made so many improvements so quickly over the last three years. This ruling simply rewards those companies with enough money to buy their way into the Nastran market. This ruling completely ignores those companies that have devoted countless hours and resources to earn their way into the Nastran market.

Noran Engineering Inc. has over 3000 customers worldwide. NE/Nastran is the viable and logical MSC.Nastran alternative and our product can run on any platform such as Unix, Windows, and Linux. Many of our customers came to us simply because they wanted an alternative to MSC.Nastran. NE/Nastran is a lower cost alternative without compromising performance. We have spent tens of thousands of dollars this year alone to both market and advertise our product in the most respected relevant publications. (Please see all enclosed attachments). Our goal has always been to gain market share and to sell a competitive product. And it is working. Our sales have gone up. Our customers are pleased. However, with your decision, we will suffer significantly.

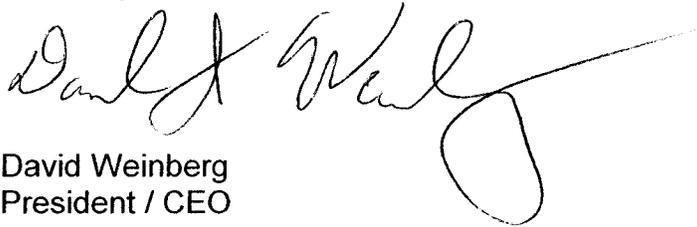
Our customer base is made up of names like Boeing, Volvo Trucks, Lockheed Martin, Raytheon, Northwest composites, C&D Aerospace, etc... These are the biggest names in their respective industries and they are using our software, most of the time, in place of MSC.Nastran.

Your ruling will do nothing more than cripple our business by allowing other companies to buy their way into the market. The same market where we are

successfully gaining ground. Since 1999 our revenues have tripled. We have customers and dealers worldwide. This decision has an excellent chance of putting our company out of business. Don't we, the small business owners, get a fair shake with the FTC too?

We here at Noran Engineering, Inc. understand that it is not enough to send a letter to you in hopes that you will change your mind. This is why we have enclosed a CD demo of our product along with all the appropriate supporting advertising and promotional literature. We are confident that once you take a close look, you will have enough evidence to change your ruling.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Weinberg". The signature is written in black ink and is positioned to the right of the typed name.

David Weinberg
President / CEO