

FAS *Floral Accounting Systems, Inc.*

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September 20, 2006

Dear FAS Customers,

Last month I sent you a letter discussing FAS's upcoming Users' Conference. FAS will be presenting the conference on the weekend of September 29th-30th at Diamond Jacks Casino and Resort in Bossier City, LA. The meeting will begin at 1:00PM on Friday, September 29th and continue through 5:00PM. The Friday session will be followed by dinner that evening. The users' meeting will continue Saturday, September 30th, from 9:00AM until noon, and from 1:00PM until 5:00PM. FAS will be providing training on its software, including the soon-to-be-released Version 2007, and we will be presenting information about many new FAS hardware and software features.

The response to the conference has been excellent. Please let us know if you plan to attend and let us know how many people from your shop will be attending, if you have not done so already. For more information about Diamond Jacks Casino and Resort visit www.diamondjacks.com and select the Bossier City facility. You may call the hotel at (866) 552-9629 to make room reservations. FAS is not charging any fees for you to attend the conference.

Below is information about a couple of very significant, positive developments for FAS users.

FAS Enters License Agreement With FTD & Maintains Access to Mercury

In late August, 2006, FAS, a group of FAS users who had joined FAS in a federal lawsuit against FTD, and FTD entered into an agreement which settled the disputes between the parties. In my letter of July 12th, I explained the nature of the disagreement between FAS, FAS users, and FTD.

First, this settlement prevents any immediate, negative impact on current FAS Mercury interface users. The agreement contains a grandfather provision that allows FAS Mercury users who owned a FAS system on or prior to April 11, 2006, to continue to use their existing FAS Mercury interfaces until April, 2008, without being subjected to any punitive or discriminatory access or licensing fees from FTD. You will be charged the standard Mercury access fee, which is currently \$79 per month, and **not** the \$500 monthly licensing fee that was mentioned in prior letters from FTD and FAS.

Second, the agreement allows FAS Mercury interface users to freely upgrade their FAS technology without penalty. You can upgrade your FAS hardware and software to take advantage of all of the new features that become available through FAS without violating the grandfather provision of the agreement. However, if you convert to any other third-party shop management system you would immediately lose your grandfathered status and could be subjected to much higher Mercury fees or lose Mercury access altogether. The agreement also states that a FAS user can lose his grandfathered status by converting to a "non Unix/Linux server based" FAS system. This provision however, is irrelevant since FAS has no intention of

converting from its Unix and Linux platforms. The Windows graphical software that FAS will be releasing is being designed specifically to integrate with FAS's Unix and Linux servers. Finally, you could lose your grandfathered status by failing to fulfill all FTD membership obligations.

Most FAS users who are FTD members received FTD Vice-President Larry Johnson's letter of July 1, 2006. Mr. Johnson mentioned that FTD is converting the Mercury network to an Internet-based technology (MNAPI) to replace the dial-up architecture of the "classic" Mercury interfaces. FAS has completed the development of its MNAPI interface. FTD was originally requiring all FAS users to convert to the MNAPI by April, 2007. In the final agreement however, FAS was able to extend that deadline for another year. Consequently, FAS Mercury users have until April 30, 2008, to convert to the MNAPI. Although the deadline has been extended and April, 2008, may seem very far in the future, please realize that converting all FAS Mercury users to the MNAPI is a monumental task that must begin in the very near future so that we can meet the April, 2008, deadline. Converting to the MNAPI will require varying degrees of upgrades for FAS users, depending primarily upon the age of their servers. The upgrades that are required to convert to the MNAPI will have to be determined on a case by case basis. Some servers are MNAPI-ready today. Slightly older systems may require operating system upgrades. Still older servers may have to be completely upgraded. FTD's MNAPI requires that you use a high-speed Internet connection, such as DSL or cable, instead of the dial-up Mercury connection you are using now. Fortunately, the upgrades required to convert to the MNAPI will also allow you to take advantage of other new FAS features, including the new high-speed FASCash credit card interface and the high-speed Internet-based connectivity between multiple shops. Please understand that FAS is not mandating *any* system upgrades. These requirements are being imposed entirely by FTD, and are necessary only for continued Mercury access.

Finally, FAS users who are not currently FAS Mercury interface users, FAS users who lose their grandfathered status, and new FAS customers who purchase FAS systems in the future also have the option of accessing Mercury using the FAS Mercury interface at FTD's standard Mercury access fee, which is currently \$79 per month, provided they meet other criteria outlined in the agreement.

FTD recently announced a new round of Mercury fee increases which are separate from the Mercury access fee. According to FTD's Mr. Johnson, FTD has begun charging or increased a support fee of \$69 per month, and FTD has created a new "legacy fee" of \$30 per month. Mr. Johnson said that users of the MNAPI will pay only the \$79 access charge and not the support or legacy fees, giving you even more reason to convert to the new FAS Mercury interface. FAS believes the savings in Mercury fees and credit card fees afforded by FAS's new systems will cover most of the cost of the upgrades that are necessary to upgrade to the MNAPI, and the new systems will provide other valuable benefits that will help you better manage all aspects of your business.

The agreement requires that FAS users execute an MNAPI license agreement in order to use the FAS Mercury interface. This agreement is similar to the agreement FTD requires of its own technology customers. FAS will be providing more information on this licensing process and on converting to the MNAPI as the information becomes available.

Teleflora and FAS agree to continued access of the Dove interface for FAS customers

FAS is pleased to announce that earlier this week, FAS and Teleflora signed a license agreement that will allow existing FAS Dove interface users to continue to use the FAS Dove interface, and that will allow FAS to continue to sell the FAS Dove interface.

Pursuant to the terms of the license agreement, FAS users must execute a FAS Dove interface license agreement in order to use the FAS Dove interface. The agreement is similar to the one Teleflora requires of its own technology customers. FAS will be providing more information on this licensing process in the near future.

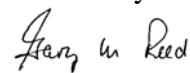
Both Teleflora and FAS look forward to working with their mutual customers, the retail florists, in the future and wish you success during the upcoming holiday season.

Special Thanks

I appreciate your patience and understanding as FAS worked through these difficult and challenging times. Please understand that FAS made a major investment in fighting to protect your interests and the interests of all florists in the industry who want to maintain their independence and who want choices for how they run their businesses. FAS will be equally committed to protecting your independence and business choices in the future. A special thanks goes out to Russ Schmitt of Schmitt's Florist in Louisville, KY; Tom Spedale of Spedale's Florist in Lafayette, LA; Kerney Broussard of Flowers, etc. in Lafayette, LA; Andrew Addison of Leesville Florist in Leesville, LA; and Jack Cross of Arthur Pfeil Florist in San Antonio, TX, for having the courage to take a stand for retail florists.

If you have any questions about the issues discussed above, please call FAS at (800) 830-6160. Thanks.

Yours truly

A handwritten signature in cursive script that reads "Gary M. Reed". The signature is written in black ink and is positioned to the left of a vertical red line.

Gary M. Reed
President