



March 19, 2025

Laura Oliver
Logan Rathbone
FOLA Co-Chairs, Family Law Committee

Subject: Response to Concerns Regarding DivorceMate Pricing

Dear Laura and Logan,

Thank you for your letter dated March 4, 2025, addressed to Malcolm Muthulingum of LEAP Legal Software. Malcolm has forwarded your letter to me, and I appreciate the opportunity to respond directly to your concerns.

New Pricing structure

After reflecting on your comments and considering the current economic uncertainty and the challenges that many businesses and individuals are facing, we have introduced more flexible pricing options.

Effective immediately, DivorceMate will offer the following 3 options for 2025:

1. 12-Month Term: We've added back a 12-month term option. The cost is \$250 per user per month (PUPM). Additionally, we will apply a 10% discount if a user makes a single payment up front, with pricing equivalent to \$225 PUPM.

or
2. 36-Month Term: We've reduced the monthly cost to \$200 PUPM on a 36-month term. This plan incorporates a 20% discount over the standard 12-month term option.

or
3. Upgrade to LEAP - LEAP's Legal Practice Productivity Solution integrates DivorceMate's products directly in LEAP, and additionally provides resources for other areas of legal practice, practice management, legal trust accounting, and much more at a monthly cost of \$169 per user per month.

Price Increases Reflect Product Improvement and Increased Costs

DivorceMate has been serving the family law community for 38 years with minimal price adjustments. This meant that DivorceMate was significantly undervalued for many years as our price was not reflective of the real value of our software. However, after investments in technology improvements, evolving industry distribution practices, and rising costs we gradually realigned our pricing model over the past four years to reflect the true value of our premium software.

The recent price adjustments reflect significant improvements made to DivorceMate as well as the additional costs incurred, including:

- Development of a new cloud platform to access DivorceMate - allowing firms to move away from servers and save IT costs.
- Introduction of AI-based tools in DivorceMate - creating efficiency and saving time, enabling our customers to serve their clients better and more quickly.
- Inflation-related increases to DivorceMate's third-party costs for storage, security, and software development.

We believe these improvements provide substantial value and increased efficiency for our users. DivorceMate takes pride in being a premium product by continually developing market-leading technology, which comes at a premium price.

No Price Increase of 1,150%

We would also like to clarify a few inaccuracies in your letter.

The claim that DivorceMate has increased its prices by 1,150% since 2022 is factually incorrect.

Prior to adopting a subscription model in 2021, the cost for a new single-user license was \$2,000 annually (\$166 per month) and \$1,350 annually (\$112.50 per month) for renewals, not the \$20 per month suggested in your letter.

In 2022, DivorceMate transitioned from a licensing model to a subscription-based (SaaS) model. This change aligned with industry transition towards cloud-based software offerings, which enabled improvements such as continuous updates and maintenance, and enhanced security.

Furthermore, DivorceMate can be accessed through another option at a different price point. DivorceMate is now fully integrated with LEAP Legal Software – a practice management offering that is available at a monthly price of \$169 per user per month. This pricing is on par with the 2021 new user price of DivorceMate alone, and it provides a cost-effective and comprehensive solution for practitioners.

Competition Concerns

Users of family law software in Ontario have options. In addition to accessing DivorceMate through a standalone subscription or through LEAP Legal Software, other suppliers of family law software offer products catering to the needs of family law software users. This indicates a competitive environment with multiple options for legal practitioners.

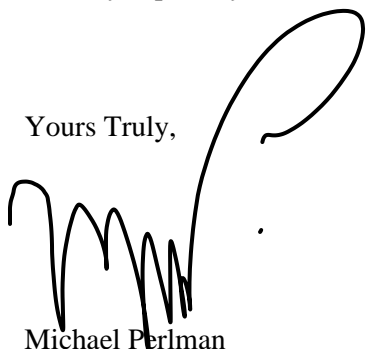
Access to Justice Considerations

DivorceMate shares the legal community's access to justice concerns, and offers special pricing for organizations serving underprivileged communities, including legal aid providers, legal clinics, and educational institutions. Additionally, we provide a free public calculator for basic child and spousal support to assist those who may not otherwise have access to such tools.

Our mission is to support the Canadian family law profession with innovative, user-friendly software and exceptional support. We continuously invest in product development to ensure our users benefit from the latest technology and best practices and to enable them to improve the speed and quality of service they offer their clients.

Thank you again for your letter and for providing us with the opportunity to address these matters directly. Our door is always open if you would like to discuss anything further.

Yours Truly,

A handwritten signature in black ink, appearing to read 'Michael Perlman', with a large, stylized loop at the end.

Michael Perlman
CEO, DivorceMate Software Inc.