IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS MARSHALL DIVISION

8 8

ş

SOFTWARE RIGHTS ARCHIVE, LLC Plaintiff, v.

Civil Action No. 2:07-cv-511-TJW

GOOGLE INC., YAHOO! INC., § IAC SEARCH & MEDIA, INC., AOL LLC, § and LYCOS, INC. §

Defendants

JURY TRIAL DEMANDED

DECLARATION OF JEFFREY FRANKLIN AIT

I, Jeffrey Franklin Ait, under penalty of perjury, hereby make the following declaration. All facts set forth herein are true and correct, and I make this declaration based upon my personal knowledge and upon review of corporate records:

1. I became the Chief Executive Officer of DeltaPoint, Inc./Site Technologies, Inc. ("Site Tech") on March 24, 1997. I also served as Chief Financial Officer and Director of Site Tech since September 2, 1997. I was also the President and Chief Executive Officer and Secretary of the corporate shell of the Delaware corporation, Site/Technologies/Inc. ("Site/Tech"), from the time that Site Tech acquired its stock and assets until its remaining corporate shell was merged with Site Tech in 2000. I was also at times the sole director of Site/Tech as well as the official "responsible person" in the bankruptcy of Site Tech.

2. On July 11, 1997, Site Tech acquired Site/Tech from Daniel Egger and other stockholders. At that time, Site Tech's name was Deltapoint, Inc. The purpose of this transaction was to merge the business of Site/Tech into Deltapoint, Inc. In this transaction,

EXHIBIT 2

Dockets.Justia.com

Deltapoint directly acquired all outstanding stock of Site/Tech and all of the then-existing assets of the company, including its patents and trademarks. Deltapoint adopted the name of "Site Technologies, Inc." from Site/Tech and began conducting business under Site/Tech's trademarks, which were directly acquired in the transaction as assets of Site Tech, and continued developing the products which were the former business of Site/Tech. All former operations of Site/Tech became operations of Site Tech and the former employees of Site/Tech became the employees of Site Tech to the extent that these employees remained in the organization. Site Tech adopted and employed Site/Tech's website, email addresses, and other property as its own, and represented that it owned them. After the July 11, 1997 acquisition, Site/Tech lacked any substantial independent operation or business from that of Site Tech. It did not design, produce, market, or sell anything, and it had no significant independent costs or revenues. Further, Site Tech conducted Site/Tech's few remaining business affairs on Site/Tech's behalf. Site Tech prepared consolidated financial statements for the companies, and Site Tech maintained Site/Tech's tax records.

3. Site/Tech did not observe corporate formalities. Site/Tech held no director meetings or shareholder meetings. Site/Tech made no decisions, and took no actions, separate from Site Tech. Site/Tech maintained no bank account separate from Site Tech's bank account. Site/Tech did not segregate any assets from Site Tech's assets; instead, Site Tech represented that it acquired all of Site/Tech's assets on July 11, 1997, including its patents. Site/Tech did not segregate its corporate records from those of Site Tech. In fact, Site/Tech maintained no separate corporate records.

4. My understanding of the corporate records is that on July 8, 1997, the change of control provision of the Certificate of Incorporation of Site/Tech was amended in connection

2

with the acquisition to invoke the liquidation provisions of the Certificate of Incorporation upon execution of an agreement that sold substantially all the stock of the company. Attached is a true and correct copy of the amendment to the Certificate of Incorporation. The assets, including the patents, were transferred to Site Tech and assets were in fact held by Site Tech after the acquisition.

5. On September 16, 1998, Site Tech sold and assigned, among other things, U.S. Patent No. 5,544,352, and related applications and future patents (which include U.S. Patent Nos. 5,832,494 and 6,233,571) to Daniel Egger (the "Patents"). Daniel Egger paid \$100,000 for the Patents.

6. I was the chief corporate officer of both Site Tech entities that controlled and later sold all of the assets on behalf of both Site Tech entities in several transactions with different parties that were originally acquired from Daniel Egger and his investors. At the time of the execution of the 1998 Bill of Sale and Assignment that assigned the Patents to Daniel Egger, I was the CEO of both Site Tech and Site/Tech and was fully authorized by both companies to assign the Patents to Daniel Egger. It was my intent, as well as the intent of all the Site Tech entities, to transfer the Patents to Daniel Egger through the 1998 Bill of Sale and Assignment. After the sale, neither Site Tech entity carried the Patents on their books and both recognized the validity of the 1998 Bill of Sale and Assignment and that the Patents had been transferred to Daniel Egger through these contracts. I also delivered the other V-Search products and code due under the 1998 Bill of Sale to Daniel Egger on behalf of the Site Tech entities. To the extent that there is any question as to whether the Patents were assigned to Daniel Egger, the Site Tech entities do not claim any title to the Patents and have long disclaimed any ownership in favor of Daniel Egger. This includes Site/Tech, which ratified the 1998 Bill of Sale and Assignment and

3

Site Tech's authority and right to transfer the patents in those documents on behalf of all Site Tech entities a long time ago.

7. The Site Tech entities further approve of and ratify the previous 1998 Assignments and the 2005 Assignment to Daniel Egger filed on behalf of Site/Tech by Daniel Egger.

8. The 2005 assignment was within the intent of all the parties to the transaction and fairly represented the transaction.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

4

Executed on August 18, 2008 Myrtle Beach, South Carolina