

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

VERTICAL COMPUTER SYSTEMS, INC.,

Plaintiff,

v.

LG ELECTRONICS MOBILECOMM U.S.A.,
INC., LG ELECTRONICS INC., SAMSUNG
ELECTRONICS CO., LTD., SAMSUNG
ELECTRONICS AMERICA, INC.,

Defendants.

Civil No. 2:10-CV-00490

JURY TRIAL DEMANDED

**DECLARATION OF LUIZ CLAUDIO VALDETARO
IN SUPPORT OF VERTICAL COMPUTER SYSTEMS, INC.'S OPPOSITION
TO SAMSUNG DEFENDANTS' MOTION TO DISMISS, STAY OR TRANSFER**

I, Luiz Claudio Valdetaro, declare and state as follows:

1. I am the Chief Technical Officer at Vertical Computer Systems, Inc. ("Vertical").

I reside in Coppell, Dallas County, Texas.

2. Vertical has its principle place of business in Richardson, Texas. The material witnesses for this case reside at this location. For example, I reside in Coppell, Texas; the chief executive officer of Vertical, Richard Wade, resides in Dallas, Texas; Vertical's current chief financial officer, Freddie Holder, resides in Richardson, Texas in the Eastern District of Texas as did the previous chief financial officer who resided in Rockwall, Texas. Vertical's documents relevant to this litigation are located in Richardson. Vertical sells and services its products, including the SiteFlash product that the patents-in-suit cover, out of Richardson.

3. Vertical does not have any offices in California. It does not have any employees that are material witnesses that reside in California. (One Vertical employee and one employee of a Vertical subsidiary reside in the Los Angeles area and work out of their houses, an employee for a subsidiary resides in San Diego and works out of her house, and two employees of another

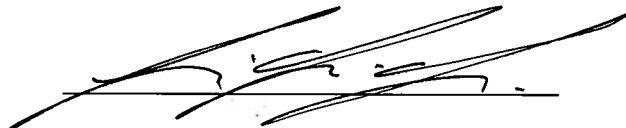
subsidiary work out of their houses in the Bay Area. But these employees do not have any connection to this lawsuit or the products covered by the patents-in-suit). In addition, Vertical has not sold its SiteFlash product, the product covered by the patents-in-suit, in California. To the best of Vertical's knowledge, a prior owner of the patents-in-suit (a company that did not have any relation to Vertical) sold a product covered by those patents to a company in California. Vertical collected maintenance fees for that product, but it has not collected any fees or serviced that product since 2004. Since that time, Vertical has not sold any product or provided any services in California.

4. Effective September 8, 2003, Vertical announced the closing of its office in Los Angeles, California and moved its principal executive office to Austin, Texas. It subsequently moved to Fort Worth and then Richardson, Texas. Vertical moved from Fort Worth, Texas to this location in the Spring of 2008 for the convenience of its employees. It did so after considering six (6) different locations, starting in the Spring of 2007. Two of the sites, including what ultimately became the present address of Vertical, were located in Colin County and the rest in Dallas County. **(Exhibit C)**. The location of any pending or prospective litigation did not influence in any way the selection of the present place of business. Since September 2003, Vertical has not kept any offices in California.

5. Aubrey McAuley is the inventor of the patents-in-suit. He resides in Austin, Texas. He is not an employee or an officer of Vertical or its subsidiaries. He is an employee of an unrelated company that does not grant him flexibility to travel for this lawsuit.

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: 03/15/11

A handwritten signature in black ink, appearing to be 'Aubrey McAuley', written over a horizontal line.