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

| ADVANCEME, INC. | § | |
|---------------------------------|---|---------------------------|
| Plaintiff | § | |
| | § | |
| VS. | § | |
| | § | |
| RAPIDPAY, LLC, BUSINESS CAPITAL | § | CAUSE NO. 6:05-CV-424 LED |
| CORPORATION, FIRST FUNDS LLC, | § | |
| MERCHANT MONEY TREE, INC., | § | |
| REACH FINANCIAL, LLC and | § | |
| FAST TRANSACT, INC. d/b/a | § | |
| SIMPLE CASH | § | |
| Defendant | § | |
| | § | |

Declaration of Joseph D. Gray in Support of First Funds, LLC's, Merchant Money Tree, Inc.'s, and Reach Financial, LLC's Reply in Support of Their Motion for Leave to Amend Preliminary Invalidity Contentions

I, Joseph D. Gray, hereby declare:

- 1. I am over the age of 18 and capable of testifying to the facts set forth herein.
- 2. I am a licensed attorney in the State of Texas.
- Vinson & Elkins L.L.P. is counsel of record for Defendants First Funds, LLC, Merchant Money Tree, Inc. and Reach Financial, LLC ("Defendants") in the above-styled action. I am an associate in the Austin, Texas office of Vinson & Elkins L.L.P. and serve as counsel for Defendants.
- 4. I aver to the matters set forth herein based upon personal knowledge and information.
- I respectfully submit this Declaration in support of Defendants' Reply in Support of its Motion for Leave to Amend Preliminary Invalidity Contentions.

- Attached hereto as Exhibit F is a true and correct copy of a Timeline of Facts Relevant to Defendants' Motion to Amend Invalidity Contentions prepared by me.
- Attached hereto as Exhibit G is a true and correct copy of the Litle & Co. Invalidity Claim Chart proposed for supplementation to Defendants' Invalidity Contentions.
- Attached hereto as Exhibit H is a true and correct copy of September 1, 2006
 letter from Robert C. Matz to Hilary Preston.
- Attached hereto as Exhibit I is a true and correct copy of an article in <u>Inc. 500</u> on Thomas J. Litle, IV.
- 10. Attached hereto as Exhibit J is a true and correct copy of pages from the transcript of the September 6, 2006 deposition of Thomas J. Litle, IV.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and information.

SIGNED the 3rd day of October, 2006.

/s/ Joseph Gray

Joseph D. Gray

Austin 752585v.1