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

DATE: 10/19/2006

JUDGE
JOHN LOVE

REPORTER: Patrick Thurmond
LAW CLERK: Deleith Gossett

ADVANCEME INC.
Plaintiff
CIVIL ACTION NO: 6:05CV424

vs. MARKMAN HEARING

RAPIDPAY LLC. Defendant

| ATTORNEY FOR PLAINTIFF | ATTORNEY FOR DEFENDANT |
|---|---|
| Ronald Lemieux Parris Saenz Deborah Race Vid Bhaker | Doug McSwane Bill Schuurman Hillary Preston Joey Gray |

On this day, came the parties by their attorneys and the following proceedings were had:

OPEN: 9:27 am **ADJOURN:**

| TIME: | MINUTES: |
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| 9:27 am | Case called. Ms Race, Mr. Lemieux, Mr. Saenz, and Mr. Bhaker announced ready on behalf of the plaintiff. Mr. McSwane, Mr. Schuurman, Ms. Preston, and Mr. Gray announced ready on behalf of the defendants |
| 9:27 am | The Court addressed the parties. The Court stated that this is a combined Markman with case number 6:06cv82. The parties agreed. |
| 9:28 am | Mr. Lemieux stated he will be arguing plaintiff's terms. Mr. Schuurman stated he will argue defendant's terms along with Mr. Gray and Ms. Preston. |
| 9:30 am | Mr. Lemieux began giving brief overview of claim terms. He stated there are three groups of claims in his perspective: obligation, third party and means plus function terms. |
| 9:33 am | Mr. Lemieux gave proposed construction term of "obligation". |
| 9:39 am | Mr. Schuurman gave defendants' proposed construction term of "obligation". |
| 9:50 am | The Court addressed Mr. Schuurman regarding the term "obligation". Mr. Schuurman responded. Mr. Schuurman continued arguing proposed construction term "obligation". |

DAVID J. MALAND, CLERK

FILED: 10/19/06

BY: Mechele Morris, Courtroom Deputy

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| TIME: | MINUTES: |
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| 10:10 am | Mr. Lemieux responded. |
| 10:12 am | The Court asked Mr. Lemieux about term obligation and terminal fee. Mr. Lemieux responded. Mr. Schuurman responded. Mr. Lemieux further responded. |
| 10:20 am | Mr. Lemieux argued plaintiff's proposed construction term "third party". |
| 10:26 am | Ms. Preston argued defendants' proposed construction term "third party". |
| 10:36 am | Mr. Lemieux responded. Ms. Preston further responded. Mr. Lemieux further responded. |
| 10:50 am | Recess until 11:00 am. |
| 11:02 am | Court resumed. Mr. Lemieux began arguing plaintiff's proposed construction term "means plus functions". |
| 11:16 am | Mr. Schuurman gave defendant's proposed construction term of "means plus function". |
| 11:56 am | Mr. Lemieux responded. Mr. Schuurman responded. |
| 12:10 pm | Mr. Gray addressed the I/O device. Mr. Lemieux responded. Mr. Schuurman responded. Mr. Lemieux further responded. |
| 12:20 pm | The Court stated he will have a ruling as soon as possible. |
| 12:20 pm | The Court addressed mediation. The parties stated they have mediated. The Court stated he will have parties go back to mediation after Markman opinion. |
| 12:21 pm | The parties spoke regarding if an agreement of consent before the Court. The Court stated to review the docket and if a consent needs to be filed, to do so. |
| 12:21 pm | Mr. Lemieux spoke about possible mediation and to have representatives present. Mr. Schuurman responded. Mr. Schuurman stated after they receive claim construction, they planned to file Summary Judgment Motions. |
| 12:22 pm | There being nothing further, Court is adjourned. |