Page 1 of 4

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

ADVANCEME, INC. § § § § VS. Civil Case No. 6:06-CV-082(LED-JDL) § AMERIMERCHANT, LLC, and FIRST FUNDS, LLC

JOINT MOTION TO DISMISS WITHOUT PREJUDICE

Come now plaintiff, AdvanceMe, Inc. and defendants, First Funds, LLC and AmeriMerchant, LLC, and file this joint motion to dismiss the present litigation referenced above, without prejudice to refiling same after resolution of the appeal in the case styled AdvanceMe, Inc. v. RapidPay, et al., Cause No. 6:05-CV-424 ("the RapidPay case"). The parties to this litigation have entered into an agreement that this suit will dismissed without prejudice to refiling, subject to certain stipulations which are summarized as follows:

- 1. The proper venue for refiling of this case will be in the Eastern District of Texas, Tyler Division:
- 2. Neither First Funds, LLC nor AmeriMerchant, LLC will institute any actions seeking a declaratory judgment regarding the '281 patent during the intervening time between the filing of this motion to dismiss and sixty days after the final resolution of the appeal in the RapidPay case;
- 3. The defendants will not use the time period during the appeal as the basis for asserting a laches argument on either damages or injunctive relief;
- 4. The parties have agreed that all statutes of limitations will be tolled until sixty days after the final conclusion of the RapidPay appeal.

5. If the plaintiff does not re-file this suit within sixty days of the final resolution of

the appeal in the RapidPay case, then the plaintiff agrees it is barred from re-filing

the suit;

If the plaintiff refiles the suit, then the parties agree that the Markman order in 6.

this cause, 6:06-CV-82, AdvanceMe, Inc. v. AmeriMerchant, LLC, et al. will

apply to any re-filed action, except as such Markman Order may have been

modified by the Federal Circuit during the RapidPay appeal.

Subject to the above stipulations as more fully set forth in a letter agreement dated

August 23, 2007, the parties move this Court to dismiss any and all claims and counterclaims

currently pending in the case styled AdvanceMe, Inc. v. AmeriMerchant, LLC and First Funds,

LLC, Cause No. 6:06-CV-82, without prejudice to refiling pursuant to the agreement recited

above. The parties further agree that they are to bear their own costs in connection with this

dismissal, subject to reserving the ability to seek such costs based upon the outcome of the

RapidPay appeal.

Respectfully submitted,

By: /s/ Deborah Race

Otis Carroll

Texas State Bar No. 03895700

Deborah Race

Texas State Bar No. 16448700

IRELAND, CARROLL & KELLEY, P.C

6101 S. Broadway, Suite 500

Tyler, Texas 75703

Tel: (903) 561-1600

Fax: (903) 581-1071

Email: Fedserv@icklaw.com

-2-

Ronald S. Lemieux

Robert C. Matz

Vid Bhakar

Shanee Williams

Michael Edelman

Gisu Sadaghiani

Daisy S. Poon

PAUL, HASTINGS, JANOFSKY & WALKER,

LLP

Five Palo Alto Square, Sixth Floor

Palo Alto, CA 94306-2155

Tel: (650) 320-1800

Fax: (650) 320-1900

Douglas E. Olson (CA Bar No. 38649)

Elizabeth L. Brann (CA Bar No. 222873)

PAUL HASTINGS JANOFSKY & WALKER LLP

3579 Valley Centre Drive

San Diego, CA 92130

Tel: (858) 720-2500

Fax: (858) 720-2555

ATTORNEYS FOR PLAINTIFF ADVANCEME, INC.

Respectfully submitted,

By: /s/ Doug McSwane (with permission by

Deborah Race)

Douglas Ray McSwane

State Bar No. 13861300

POTTER MINTON

A Professional Corporation

110 N. College, Suite 500

Tyler, Texas 75702

Tel: (903) 597-8311

Fax: (903) 593-0846

dougmcswane@potterminton.com

Willem G. Schuurman Joseph Daniel Gray Brian K. Buss VINSON & ELKINS, LLP The Terrace 7 2801 Via Fortuna, Suite 100 Austin, Texas 78746 Tel: (512) 542-8663

Fax: (512) 236-3422

Hilary Preston VINSON & ELKINS 666 Fifth Ave., 26th Fl. New York, NY 10103 Tel: 212-237-0000 Fax: 212-237-0100

hpreston@velaw.com

Jeff Sanders 2696664 183 Madison Avenue New York, NY 10016 (212) 448-1800 (212) 504-9553 (fax) jsanders@robritlaw.com

ATTORNEYS FOR DEFENDANT AMERIMERCHANT, L.L.C.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record or parties will be served by facsimile transmission and/or first class mail this 29th day of August, 2007.

/s/		
Deborah Race		