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The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MICROSOFT CORPORATION,  
  
Plaintiff,  
  
v.  
  
IMMERSION CORPORATION,  
  
Defendant.

No. 2:07-CV-936-RSM

**DECLARATION OF STEPHEN P. MCGRATH**

Noted for Consideration: July 18, 2008  
Oral Argument Requested

I, Stephen P. McGrath, declare as follows:

1. I am a senior attorney in the litigation department at Microsoft. I am a citizen of the United States, over the age of 18 years, and competent to make this Declaration.

2. I was primarily responsible for overseeing Immersion's litigation against Sony and Microsoft in the U.S. District Court for the Northern District of California, on behalf of Microsoft filed on February 11, 2002.

3. On February 4, 2003, Microsoft and Immersion participated in an unsuccessful mediation.

4. After that, the parties resumed settlement discussions.

DECLARATION OF STEPHEN P. MCGRATH  
(No. 2:07-936-RSM) - 1  
4827-9858-1506 01  
062608/1209/20363.00411

Riddell Williams P.S.  
1001 FOURTH AVENUE  
SUITE 4500  
SEATTLE, WA 98154-1192  
206.624.3600

1           5. These discussions took place over a period of several weeks between April and  
2 July 2003.

3           6. During this time, in-house counsel for both parties were involved, as were  
4 business executives.

5           7. We held numerous telephone conversations, exchanged emails and conducted  
6 in person meetings both in Redmond, Washington, and in San Jose, California.

7           8. Eventually, Microsoft and Immersion settled and executed five agreements on  
8 July 25, 2003.

9           9. Many drafts of these agreements were exchanged between the parties, and both  
10 parties made many revisions to the language of the agreements.

11           I declare under penalty of perjury under the laws of the State of Washington that the  
12 foregoing is true and complete to the best of my knowledge.

13           SIGNED this 26<sup>th</sup> day of June, 2008, at Seattle, Washington.

14  
15   
16 Stephen P. McGrath

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1 CERTIFICATE OF SERVICE

2 I, Margaret Friedmann, declare as follows:

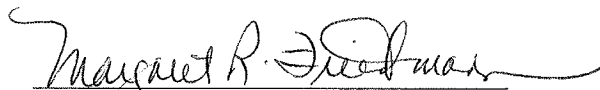
3 I am over 18 years of age and a citizen of the United States. I am employed as a  
4 legal secretary by the law firm of Riddell Williams P.S.

5 On the date noted below, I electronically filed the foregoing document titled  
6 **DECLARATION OF STEPHEN P. MCGRATH** with the Clerk of the Court using the  
7 CM/ECF system which will send notification of such filing to the following counsel for  
8 Immersion Corporation:

|  |   |
|--|---|
| <p>9 Bradley S. Keller<br/>10 Jofrey M. McWilliam<br/>11 Byrnes &amp; Keller LLP<br/>12 1000 Second Avenue, 38<sup>th</sup> Floor<br/>13 Seattle, WA 98104-4082<br/>14 Phone: (206) 622-2000; Fax: (206) 622-<br/>2522<br/>15 Email: <a href="mailto:bkeller@byrneskeller.com">bkeller@byrneskeller.com</a><br/><a href="mailto:jmcwilliam@byrneskeller.com">jmcwilliam@byrneskeller.com</a></p> | <p>Richard M. Birnholz<br/>Morgan Chu<br/>Irell &amp; Manella LLP<br/>1800 Avenue of the Stars, Suite 900<br/>Los Angeles, CA 90067-4276<br/>Phone: (310) 277-1010; Fax: (301) 203-<br/>7199<br/>Email: <a href="mailto:rbirnholz@irell.com">rbirnholz@irell.com</a><br/><a href="mailto:mchu@irell.com">mchu@irell.com</a></p> |
|--|---|

15 I declare under penalty of perjury under the laws of the State of Washington that the  
16 foregoing is true and correct.

17 Executed at Seattle, Washington this 26<sup>th</sup> day of June, 2008.

18 

19 Margaret Friedmann  
20 Legal Secretary, Riddell Williams P.S.  
21 1001 Fourth Avenue Plaza, Suite 4500  
22 Seattle, WA 98154  
23 Phone: (206) 624-3600  
24 Fax: (206) 389-1708  
25 email: [mfriedmann@riddellwilliams.com](mailto:mfriedmann@riddellwilliams.com)