

EXHIBIT I

From: Margolis, Paul D
Sent: Thursday, January 08, 2009 3:02 PM
To: lfokas@parallelnetworks.com
Cc: Roper, Harry J; Bosy, George S; Levy, Susan C; Mascherin, Terri L
Subject: RE: Termination of representation-- privileged & confidential

Terry-

In response to your email of January 2, 2009, our views are as follows:

Our appellate lawyers have described the likelihood of overturning Judge Robinson's opinion on appeal as being around 30-50%. Please understand that the use of percentages to describe possible outcomes is intended only to be a general assessment of the relative strengths of the arguments. In our experience, litigation is inherently uncertain and should not be reduced to a mathematical equation.

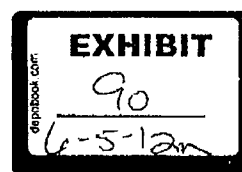
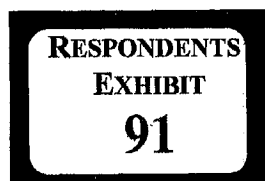
In this case, we think that the arguments and circumstances that would lead the Federal Court to uphold the decision are relatively stronger than the arguments and circumstances that would lead to a reversal. To be clear, our appellate lawyers believe that the summary judgment opinion of Judge Robinson can be attacked, and that the grounds for reversal laid out in the motion for reconsideration were good arguments. But it is difficult, if not impossible, to predict what the Federal Circuit will do in any particular case. The Federal Circuit sometimes aggressively reviews district court decisions and other times essentially rubber stamps them. If it chose to uphold the summary judgment decision, the Federal Circuit would have several avenues by which it could do so. For example, it could determine that (a) "releasing" requires freeing the web server to process new requests (rather than already-pending requests), as the District Court's decision suggests, (b) the web server that must be released consists of the individual OHS child process or Web Cache fiber, or (c) our expert's analysis of the releasing limitation did not carry our burden, as the District Court found. In addition, the Federal Circuit could hold that the District Court's claim construction on "releasing" was in error and apply Oracle's more restrictive construction.

With respect to the second paragraph of your email, we have had several discussions with you regarding settlement, in different contexts. In the middle of December we discussed with you two proposals presented by Oracle for avoiding a trial on validity and inequitable conduct.

Oracle's Proposal A was the proposal that you ultimately agreed to. Under that proposal, the parties agreed that Oracle would dismiss its remaining claims without prejudice so that the trial would not take place and Parallel Networks could take an immediate appeal of the summary judgment ruling, and that in the event Oracle succeeded in defending the non-infringement ruling on appeal, the parties would agree to treat that decision as applying to BEA products as well as Oracle products.

Proposal B was to engage in settlement negotiations with Oracle. Oracle's counsel indicated at that time that Oracle would only be interested in a settlement of "significantly less than 8 figures." We viewed that as Oracle's opening position, and not determinative of what an ultimate settlement amount might be.

As to Proposal B, we discussed several issues. These included that it may take several years for Parallel Networks to monetize its claims through litigation, given that Judge Robinson has made clear that she would bifurcate any trial on damages from liability and allow an appeal on liability to go forward before she would try the damages case. We also discussed how important it is to you to have Judge Robinson's summary judgment decision vacated, and explained that if a settlement could be achieved soon there may be a greater likelihood of



JBPN 00049102

EXHIBIT I

getting that decision vacated than if you were to proceed with litigation. We recommended that you consider accepting Oracle's invitation to reopen settlement negotiations in light of all of those issues. We discussed the possibility of reconvening the mediation with the magistrate before the Court entered an order vacating the trial, and also discussed the possibility of hiring a private mediator or convening a settlement negotiation without a mediator, once the trial date was vacated.

You told us you would like to think about all of the options. You later informed us that you had decided to proceed with Proposal A, and that you would reconsider Oracle's proposal to reopen settlement negotiations after the trial was put off and after it was clear which law firm would be handling the case going forward. Last week, we reiterated our willingness to assist you in settlement negotiations with Oracle if you wished to pursue it, but we did not recommend any particular settlement amount or recommend that you settle the case at this time. We also offered to continue to represent you through appeal with the strategy of attempting to achieve a more favorable settlement after a successful appeal.

With respect to the QuinStreet case, we did recommend that you accept Gordon Atkinson's settlement offer of \$750,000. Whether to choose to settle a case is, of course, your decision as the client, but our view rested on our understanding that you are not particularly interested in pursuing the case against QuinStreet. If that understanding is incorrect, our analysis could change. We also explained that there are other advantages to settling the QuinStreet case. In particular, settling that dispute would increase the probability that Microsoft would be dismissed from the case, which in turn would increase the possibility that you would be able to avoid litigating with Microsoft in Delaware, as opposed to Texas.

Paul

From: Terry Fokas [mailto:tfokas@parallelnetworks.com]
Sent: Friday, January 02, 2009 5:44 PM
To: Margolis, Paul D
Cc: Roper, Harry J; Bony, George S; Levy, Susan C; Mascherin, Terri L
Subject: Re: Termination of representation-- privileged & confidential

Paul,

Two weeks ago, you, George Bony and Terri Mascherin called me to discuss the case against Oracle. During that call Terri Mascherin conveyed your firm's recommendation that Parallel Networks settle its case against Oracle because (as she put it), your appellate lawyers put the likelihood of success on appeal at "30-50%" due to the fact that the trial record regarding "releasing" of the application server operating system was very sparse.

Earlier this week, you and Harry Roper called me to discuss your firm's representation of Parallel Networks and it was again conveyed to me that your firm's recommendation was that Parallel Networks settle its case against Oracle and QuinStreet.

Please confirm in writing that settlement of the cases against Oracle and QuinStreet were and are your firm's recommendations.

Terry

--- On Fri, 1/2/09, Margolis, Paul D <PMargolis@jenner.com> wrote:
From: Margolis, Paul D <PMargolis@jenner.com>

Subject: Termination of representation-- privileged & confidential
To: "tfokas@parallelnetworks.com" <tfokas@parallelnetworks.com>
Cc: "Roper, Harry J" <HRoper@jenner.com>, "Bosy, George S" <GBosy@jenner.com>, "Levy, Susan C" <SLevy@jenner.com>, "Mascherin, Terri L" <TMascherin@jenner.com>
Date: Friday, January 2, 2009, 5:06 PM

Terry-

Our termination letter is attached.

Paul

Paul D. Margolis
Jenner & Block LLP
330 N. Wabash Avenue
Chicago, IL 60611-7603
Tel (312) 923-8323
Fax (312) 923-8423
PMargolis@jenner.com
www.jenner.com<<http://www.jenner.com/>>

CONFIDENTIALITY WARNING: This email may contain privileged or confidential information and is for the sole use of the intended recipient(s). Any unauthorized use or disclosure of this communication is prohibited. If you believe that you have received this email in error, please notify the sender immediately and delete it from your system.
