

FILED

MAR - 8 2007

KIRI TORRE
Chief Executive Officer/Clerk
Superior Court of CA County of Santa Clara
BY  DEPUTY
J. ALVAREZ

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA**

RUSSO & HALE LLP, et al.,

Plaintiffs,

v.

USERLAND SOFTWARE, INC., et al.,

Defendants.

Case No. 1 - 06 - CV069576

Order re: Motion to Disqualify
Russo & Hale LLP

The Motion to Disqualify Russo & Hale LLP by Defendants David Winer and Scripting News, Inc. came on for hearing before the Honorable Joseph Huber on March 7, 2007 at 9:00 a.m. in Department 8. The matter having been submitted, the Court orders as follows:


In the first four causes of action, Russo & Hale LLP is, in effect, representing all of the Userland minority shareholders in a derivative action against Defendant David Winer ("Winer"), the majority shareholder, with regard to claims for breach of fiduciary duty, waste, unjust enrichment, and fraud. However, in the fifth cause of action, Russo & Hale LLP is representing itself in a direct action against Userland and Winer with regard to a claim that Russo & Hale LLP is entitled to a 10% equity interest in Userland and NEWCO.

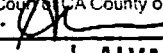
As was the case in *Apple Computer, Inc. v. Superior Court* (2005) 126 Cal.App.4th 1253, 1273, we are dealing with more than speculative conflicts and the appearance of impropriety. Russo & Hale LLP has placed itself in a position of divided loyalties by attempting to represent

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1 the minority shareholders on a claim against the majority shareholder while simultaneously
2 representing itself on a separate claim that is adverse to the minority shareholders. This is a
3 direct conflict of interest and a ground for disqualification. Accordingly, Russo & Hale LLP are
4 hereby disqualified from serving as counsel in the derivative causes of action.

5
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7 Date: 3-8-07


8 Joseph Hüber
9 Judge of the Superior Court

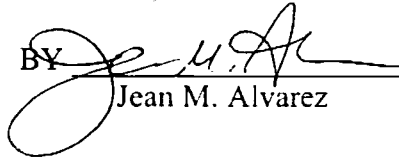
<p align="center">IN THE SUPERIOR COURT OF CALIFORNIA IN AND FOR THE COUNTY OF SANTA CLARA</p>	<p align="center">FILED</p> <p align="center">MAR - 8 2007</p>
<p>Plaintiff: Russo and Hale LLP, et al.</p>	<p align="center">KIRI TORRE Chief Executive Officer/Clerk Superior Court, CA County of Santa Clara</p>
<p>Defendant: Userland Software Inc., et al.</p>	<p>BY  DEPUTY J. ALVAREZ</p>
<p>PROOF OF SERVICE OF: Order Re: Motion to Disqualify Russo and Hale LLP</p>	<p>Case Number: 1-06-CV-69576</p>

CLERK'S CERTIFICATE OF SERVICE: I certify that I am not a party to this case and that a true copy of this document was served as follows:

- By personal service on the parties and on the date shown below.
- By first class mail, postage prepaid, addressed as shown below and mailed on the date shown below.

DATED: March 8, 2007

Kiri Torre, Chief Executive Officer/Clerk

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