EXHIBIT "B"

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF TEXAS TYLER DIVISION

HEWLETT-PACKARD COMPANY,

Case No.: 6:05cv456

Plaintiff,

VS.

BYD:SIGN, INC.; BYD:SINE, CO. LTD., a/k/a/ BYD:SIGN, CO. LTD., a/k/a BYD:SIGN COMPANY JAPAN, LTD, a/k/a/ BYD:SIGN WORLDWIDE; EYEFI DIGITAL TV, INC.; IDAPT SYSTEMS, LLC; KATSUMI ELECTRONICS CORPORATION; J. BRIAN DENNISON; KARL KAMB, JR.; KATSUMI IIZUKA; MARC McEACHERN; WILLIAM TAFFEL; DAVID THORSON; POOJITHA **PREENA**

Defendants.

AFFIDAVIT OF KARL KAMB, JR. IN SUPPORT OF BYDESIGN JAPAN, EYEFI DIGITAL TV, INC AND KATSUMI IIZUKA'S MOTION TO DISMISS AND MOTION TO TRANSER ON FORUM NON CONVENIENS GROUNDS

STATE OF NEVADA)
) SS
COUNTY OF CLARK)

- I, Karl Kamb, being first duly sworn, deposes and says:
 - 1. I have personal knowledge of the matters stated herein except as to those matters stated upon information and belief, and as to those matters, I believe them to be true. If called as a witness, I would be competent to testify as to the matters stated in this Affidavit.
 - 2. I am over 18 years of age.
 - 3. I was born in California.
 - I attended high school and college in California. 4.

- 5. In approximately August 1993, I relocated from California to Fort Worth,

 Texas where I started working for Compaq Computer Corp. ("Compaq")

 as a consumer sales account manager.
- 6. In June 2000, Compaq promoted me to the position of vice president of business development and strategy. This promotion required me to permanently relocate from Fort Worth, Texas to Tokyo, Japan. As the vice president of business development and strategy, I was involved in researching and internally advocating new technologies. My responsibilities required that I develop relationships and strategic opportunities with computer industry experts.
- 7. In October/November 2001, I was introduced to Katsumi Iizuka ("Iizuka") who was considered an expert in the computer industry.
- 8. In approximately April of 2002, HP merged with and absorbed Compaq. My job title, however, remained the same. In 2002, HP became concerned with a major competitor entering the printer business, one of HP's primary areas of focus. As a result of HP's concerns, HP directed me to make contacts with individuals who had knowledge about upcoming printing and imaging technologies.
- 9. Specifically, at HP's direction, I was instructed to develop relationships with key individuals within the printing and imaging industry. Because I had previously established a relationship with Iizuka, HP instructed me to obtain highly confidential information from Iizuka regarding a specific HP competitor who was entering into the printing business and seen as a direct competitor to HP. Iizuka was paid, via his companies, a consulting fee by HP's Imaging and Printing Group ("IPG") Competitive Intelligence unit.

- I never received, either directly or indirectly, any monies paid by HP to Iizuka.
- 10. In mid to late 2002, as the personal relationship between Iizuka and myself progressed, Iizuka began to share Dinner's business model with me. During this time, Iizuka stated to me that he was interested in having me join either Dinner or another company, not yet formed, relating to the sale of flat panel television sets. Although I did seriously consider this offer, I declined this offer because either one of these companies would be a start up company and would lack the financial resources to provide me with stable employment. Also, I was extremely loyal to HP and enjoyed working for this company.
- 11. In early 2003, Iizuka again approached me and offered me employment with Bydesign Japan. Iizuka also offered me an interest in Bydesign Japan if I would join his company. However, the amount of ownership/interest was not fixed until I had made a commitment, and resigned from HP. At this point, I considered this opportunity and consulted with my supervisors at HP but ultimately declined this offer.
- 12. During my employment with HP, I received no compensation from Bydesign Japan or Iizuka. Moreover, I never provided Bydesign Japan or lizuka with any information proprietary to HP.
- 13. Based upon information I had acquired from Iizuka about the emerging flat panel television industry and because of my loyalty for HP, I informed my supervisors at HP that the flat panel television industry could be a potentially new market for HP.
- 14. I informed HP supervisors about Bydesign Japan's business model of purchasing low cost flat panel television sets from Xoceco and then

replacing the stock bezels so as to make them more attractive to other markets. Through my efforts, I arranged for HP to obtain a first right of refusal for a business opportunity that was already developed by Bydesign Japan.

- 15. I believed that using the thoughts, ideas and initiative of Bydesign Japan, HP would be able to position itself into this potentially new emerging market that HP had not yet entered.
- 16. As a loyal HP employee, I was developing new ideas for HP based on a business model that had already been developed by Bydesign Japan. I believed that because HP was "behind the curve" when compared to other computer manufactures which had already entered the flat panel television market (e.g. Gateway Computer), HP could ride on the coattails of Bydesign Japan which already had an entry level product. Rather than HP having to develop its own flat panel technology, I presented HP with a business model that could launch HP into the flat panel television market.
- 17. Specifically, on or about September 2003, I had a meeting with the then Chairman and Chief Executive Officer of HP, Carleton Fiorina ("Fiorina") to discuss the possibility of HP entering into the flat panel television market. I informed Fiorina that other companies were purchasing unattractive but low cost flat panel television sets from China and marketing them throughout Asia and the United States as their own. Intrigued by the idea of HP entering into the flat panel television market, Fiorina instructed me to speak to HP's PC Product Division.
- 18. Approximately two days after meeting with Fiorina, I met with the general manager of HP's PC Product Division who, however, was not interested in my idea.

- 19. I subsequently met with HP's Imaging and Printing Group ("IPG") and provided them with information regarding Xoceco manufactured flat panel television sets and provided samples of LCDTV products that were customized with HP logos by Bydesign Japan's Tokyo-based custom modeling shop. The IPG Group expressed an interest in HP selling these flat panel television sets.
- 20. As a result of this and many other internal meetings, HP's IPG and the PC Consumer Division, formed a hybrid division called the Digital TV Solutions ("DTVS") group. The DTVS group sought to launch and market flat panel televisions under the HP name.
- 21. During this time, in late 2003, HP realized it would be impractical and economically unfeasible to develop its own flat panel technology. In an effort to project the image to the electronics world that it did posses its own flat panel technology, it attempted to find reliable vendors that could provide it with attractive flat panel television sets so that HP could market them as their own. To accomplish this goal, DTVS sought to purchase flat panel television sets from two established Taiwanese companies, Tatung and Lite-On. HP favored Tatung and Lite-On because they were established companies already doing business with HP. DTVS rejected television sets manufactured by Xoceco.
- 22. HP intended to showcase these flat panel television sets, only months away, at the January 2004 Consumer Electronics Show held in Las Vegas. At this show, HP planned to announce its entry into the flat panel television set market. However, weeks before the January 2004 CES show, DTVS experienced significant problems with Tatung and Lite-On to commit to producing early pre-production samples for the CES show, and

- it became apparent to HP that they would need to find another manufacturer, on an expedited basis, to manufacture product for display at the January 2004 CES and other upcoming promotional events.
- 23. In desperation, HP instructed me to use my contacts at Bydesign Japan to procure HP branded flat panel television sets that could be displayed at the January 2004 CES show and other promotional events. Due to the looming January 2004 deadline only weeks away, I requested the assistance of Iizuka and arranged for Xoceco to assemble several flat panel television sets.
- 24. Iizuka was also assigned the task of finding a model maker/designer in Japan who could design and provide HP with a hand made series of bezels that had the professional HP design criteria and "look." Through the assistance of Iizuka and Bydesign Japan, I was able to meet the aggressive January 2004 deadline and provide HP with several flat panel television set models that had hand-made HP bezels installed to give them the HP "look." As a result, HP was able to showcase flat panel television sets at the January 2004 CES convention in Las Vegas and other promotional events, including a showing of the promotional video of the NBC television show "Queer Eye for the Straight Guy" that played during Carleton Fiorina's key note address at CES, including many other customer meetings and engagements.
- 25. At no time while employed by HP, did I ever receive compensation from either Bydesign Japan or Iizuka. Moreover, I never had an ownership interest or managerial role in Bydesign Japan. Although Iizuka and I had a close friendship, I did not provide Iizuka with any proprietary

- information belonging to HP. Instead, I provided Bydesign Japan with general marketing advice that was not unique or proprietary to HP.
- During my employment with HP, I had numerous meetings and discussions with several key HP executives regarding the viability of HP entering into the flat panel television market. Many of these meetings occurred at HP's headquarters located in Palo Alto, California or at one of its other offices in Cupertino, California. The HP executives who, upon information and belief, reside in Northern California and who are also material witnesses include Duane Zitner ("Zitner")(General Manager of HP's Computer Systems), John Romano ("Romano") (Senior Vice President of HP's PC Product Division), Vikky Pachera ("Pachera")(my former supervisor who is the Vice President of Business Development and Strategy), Shane Robison ("Robison")(HP's Executive Vice President, Chief Technology Officer and Chief Strategy Officer) and Carleton Fiorina ("Fiorina")(HP's former Chief Executive Officer).
- 27. In this case, it is anticipated that Pachera and Robison would testify to communications with me in 2003 when I contemplated resigning from HP to join Bydesign Japan.
- 28. It is also anticipated that Zitner and Romano would testify regarding HP's intent to enter into the flat panel television system market and specific manufacturers that HP considered using to provide it with flat panel television product. It is also anticipated that Romano would testify to discussions that he had with me regarding flat panel television set manufacturers located in Asia, such as Xoceco, that could supply HP with flat panel television product.

Further, it is anticipated that Fiornia would testify to HP's plans in 29. entering the flat panel television market.

DATED this 18 day of January, 2006.

SUBSCRIBED and SWORN to before me by Karl Kamb on this day of January, 2006.

NOTARY PUBLIC

My Commission Expires: 11-14-06