

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

FILED  
2003 OCT 21 P 4 51  
U.S. DIST. COURT CLERK  
EAST DIST. MICH.  
DETROIT

MIRROR IMAGING, LLC

Plaintiff,

v.

AFFILIATED COMPUTER SERVICES, INC.  
and ACS IMAGE SOLUTIONS, INC.

Defendants,

AFFILIATED COMPUTER SERVICES, INC.  
and ACS IMAGE SOLUTIONS, INC.

Counterclaim-Plaintiffs,

v.

MIRROR IMAGING, LLC

Counterclaim-Defendant.

Civil Action No. 02-73629

Honorable Robert H. Cleland  
Magistrate Judge Virginia M. Morgan

**DECLARATION OF CHARLES W. KIGHT**

1. My name is Charles W. Kight and I was employed by Affiliated Computer Services, Inc. ("ACS") or one of its wholly-owned subsidiaries from July 1995 until October 8, 2003. My curriculum vita (attached hereto as Exhibit A) details my education and work experience. I am prepared to testify competently on the information contained in this document, if called to do so.

2. The ACS Record Center is located in Flora, Mississippi. I assumed management responsibility for the Record Center in approximately December 1995. The Record Center had been and continued to be in the business of storing microfilm and microfiche records for

customers, primarily banks, and providing customers with copies of the stored records on demand. The Record Center was part of Dataplex Corporation.

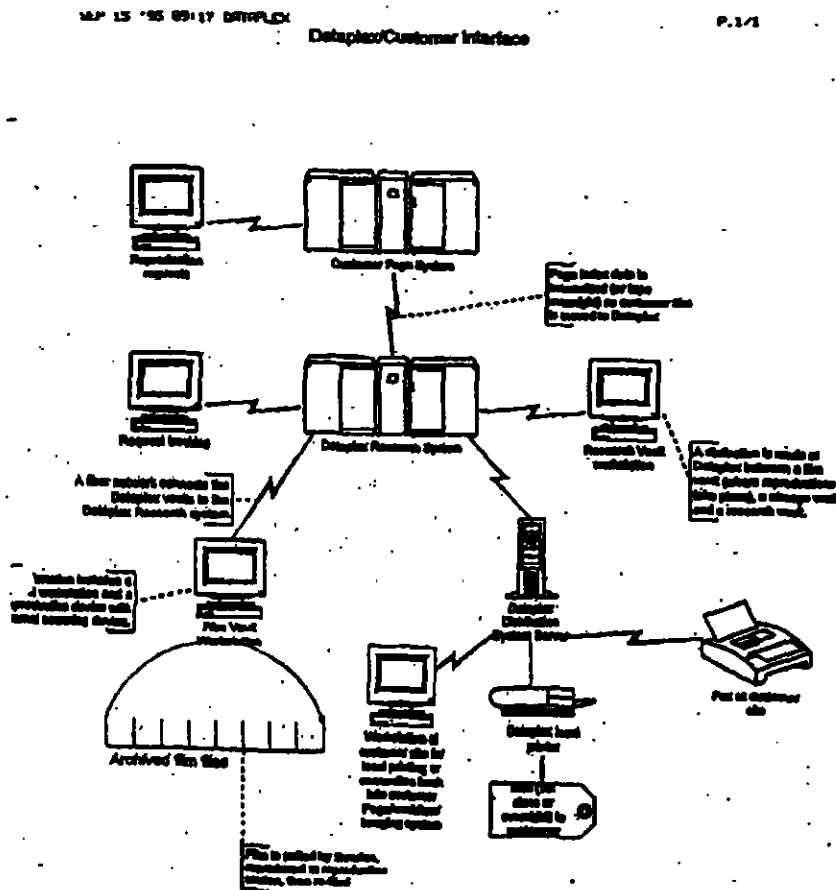
3. When I assumed responsibility for the Record Center, bank customers often relied on the Record Center for storage of microfilm and microfiche for all seven years of the retention cycle. Some customers relied on the Record Center for performing retrievals primarily during the last five of the seven year retention cycle. These customers decided whether to retrieve checks stored on microfilm from either their own local facility or the Record Center based on the date that the requested item was captured and/or posted. Large banks often had automated systems that allowed faster processing for checks early in the life cycle by scheduling, batching, and managing the retrieval process. The ASI software, by Antinori Software, Inc., was one product used by banks for this purpose. I was responsible for installing the ASI software in Michigan National Bank in approximately 1993-1994.

4. When I assumed responsibility for the Record Center, plans to grow Record Center revenue were based on performing retrievals earlier in the life cycle. First Interstate Bank (later acquired by Wells Fargo) had already changed from their prior practice and had begun asking the Record Center to perform retrievals on items late in year one and year two of the seven year retention cycle. An analysis was begun to install ASI, which was by now a product of Carreker-Antinori, in the Record Center to allow processing earlier in the check life cycle. At the time, the Record Center employed its own software to manage and monitor its retrieval operations, but was lacking in the ability to efficiently (1) perform reproductions when multiple requests were made for checks on the same microfilm roll, (2) automatically update bank's software, such as ASI or Pega, for management reporting, and (3) replace photocopies with digitally-scanned copies suitable for digital transmission to the bank, thus avoiding the one day

delay caused by shipping photocopies from the Record Center to the bank. ASI would have accomplished items (1) and (2). Item (3) was planned to be addressed in the future by digital scanning and transmission to the bank. Large volume digital scanning was the specialty of Intellifile. I was President of Intellifile and participated in the sale of Intellifile to Dataplex in 1995. When a bank customer requested a copy of a cancelled check from the bank, the bank would either perform the retrieval itself or send this work to the Record Center. The criteria used for the selection of the retrieval facility was primarily based on the age of the check. If the bank chose to obtain a requested document from the Record Center, a bank employee would make a request to the Record Center. Often the requests were sent to the Record Center by facsimile, and in the case of Wells Fargo, a personal computer transmitted requests to the Record Center and received status reports on work performed by the Record Center. This computer-based option was called On-Line Request Management System (ORMS). If received by fax, a Record Center operator entered the request into the Record Center computer system. If received by ORMS, this data was fed to the Record Center computer system. In either case, Record Center computer system printed a "pick list," which a librarian used to locate the microfilm roll containing the requested item. The microfilm was loaded onto a reader, and the requested item was found, printed, and shipped to the bank. The Record Center computer system was updated to show that the retrieval was completed and was available for status inquiries from the bank if needed.

5. In 1995 and 1996, the Record Center offered as part of its commercial service to its customers, including Barnett Bank, First Union, and Wells Fargo, the option of having their computer systems send electronic requests to the Record Center to eliminate manual retyping of the requests into a separate system or sending the requests by facsimile. This was easily

accomplished by the bank's system by sorting requests older than a cut-off date and transmitting a file to the Record Center. The diagram below (ACS3259) is taken from the proposal to Barnett Bank.



6. The Record Center explained that this option provides an "Interface with the customer's research software providing a seamless request stream from Customer's Branch to Customer's Research Center, or Dataplex, depending on who is storing the image." Barnett Bank Proposal at ACS3255. At that time, some of the Record Center's bank customers' retrieval centers contained microfilm for only more recently presented checks (e.g., 2 years) and did not have microfilm for checks older than a certain date at their retrieval centers.

8. To assist in implementing its automated retrieval proposal for First Union, the Record Center contacted Antinori Software, Inc. In October 1996, Antinori offered to sell the Record Center a system that would allow First Union to download requests directly to the Record Center's retrieval system through a modem. The diagram below (ACS41965) is taken from Antinori's proposal to the Record Center.



I declare under penalty of perjury under the law of the United States of America that the foregoing is truthful and accurate to the best of my information and belief.

Dated: October 14, 2003

Charles W. Kight  
Charles W. Kight

Subscribed and sworn to before me on this 14th day of October, 2003



Anita S. Gonzales  
Notary Public, State of Texas

# EXHIBIT A

**CHARLES W. KIGHT**  
1060 Creek Crossing, Coppell, TX  
(972) 471-1136 Home

## **EXPERIENCE**

### **AFFILIATED COMPUTER SERVICES, INC. (ACS) AND/OR AFFILIATES** **July 1995 - October, 2003**

#### **Positions Included:**

- **SENIOR VICE PRESIDENT, ACS (Restructuring Projects)**
- **EXECUTIVE VICE PRESIDENT MANAGER**
  - financial group planning and compliance reporting
- **PRESIDENT, INTEGRATED DOCUMENT SOLUTIONS**
- **EXECUTIVE VICE PRESIDENT, INTEGRATED DOCUMENT SOLUTIONS**
- **EXECUTIVE VICE PRESIDENT, DATAPLEX CORPORATION**
- **INTELLIFILE SENIOR VICE PRESIDENT, DATAPLEX CORPORATION**

#### **Assignments Included:**

- **RESTRUCTURING** – Manage Lines of Business with below target performance and return to Line Organization after completion to meet corporate growth and profitability goals.
- **MANAGED RECORD STORAGE OPERATIONS**
- **MANAGED DOCUMENT IMAGING BUSINESS**

### **LOMAS FINANCIAL CORPORATION - a large mortgage company.** **1995**

- **SENIOR VICE PRESIDENT, LOMAS**
- **PRESIDENT, INTELLIFILE**

### **MICHIGAN NATIONAL CORPORATION – a bank and mortgage holding company** **1989-1995**

- **EXECUTIVE VICE PRESIDENT** – Retail Banking and Information Technology
- **SENIOR VICE PRESIDENT**

#### **Information Technology:**

Managed strategic and operational activities of 750 employees with a \$50 million budget supporting technological supremacy objective of the corporation.

**QUALITY** Led initiatives resulting in benchmark performance. Reduced encoding errors to customers from 1 per 10,000 to 3 per 1,000,000. Improved computer center on time delivery to 98%+.

**RE-ENGINEERING** Reduced staff by 3% per year and unit costs 10% per year. Improved cycle time for consumer loan approval from 2 days to 15 minutes for unsecured line of credit. Reduced check

processing float and increased fees, saving \$4 million per year. Sales referrals increased 25% with new system.

**PRODUCT LEADERSHIP** First to market with check image statements using IBM equipment. Developed leading cash management account capabilities including a consolidated statement with check images and daily sweeps into double tax-free funds. One of three U.S. banks with MICROSOFT MONEY on-line banking. Developed leading products for commercial customers including Electronic Data Interchange supporting 20% growth in treasury products.

**TECHNOLOGY DELIVERY SYSTEMS** Used common systems, a consolidated computer center and communications network, 4000 PCs, 60 LANs, to meet customer and user needs. Improved control of operations resulting in consistently high elevations by examiners.

**Retail Banking:**

Managed consumer, small business, and merchant banking with 189 branches, 1,800 employees, \$5 billion deposits, and 600 million in loans and \$3 billion merchant processing.

Increased profits by 20% per year. Developed extensive multimedia teller training. Improved branch service to benchmark status as measured by a leading industry rating agency. Increased checking and savings balances by 6% per year. Grew market share of Michigan deposits from 7.1% to 7.6%. Grew merchant processing volume from \$2 to \$3 billion (75% of all Michigan point of sale transactions).

**FIRST REPUBLIC BANK**

**1979-1989**

- **SENIOR VICE PRESIDENT – Information Systems, Customer Service & Operations**

Managed bank and correspondent processing for 2.7 million accounts, \$80 billion in assets, and 34 million on-line transactions a month with 580 employees and a \$50 million budget.

Re-engineered data centers and systems improving customer service and reducing cost. Key performance improvements included improvement of on-time report delivery from 60% to 98%. Managed tellers, loan, vault, trust, funding and customer service operations including implementation of new systems. Customer service errors reduced 75%. Consolidated funding operations of two largest Texas banks.

**TEXAS INSTRUMENTS INC.**

**1968-1979**

- **DIVISION MANAGER – Information Systems,**
- **MANAGER – Financial Planning**
- **MANAGER – Control and Audit**

Systems design, development, implementation, funding acquisition, operation, and ongoing applications management for worldwide common financial and semiconductor systems.

Designed and installed cost management and production planning capabilities for a 40,000 employee, worldwide semiconductor manufacturing operation.

Developed a worldwide financial planning system used for 200+ applications. System significantly improved TI's accounting, planning, and control capabilities.

**COMPUTER SCIENCES CORPORATION**

**1965-1968**

- **Member of the Technical Staff**

**IBM Research Laboratory – Designed operating system software.**

**NASA – Developed systems for Manned Spacecraft Center Houston.**

**SOUTHWESTERN BELL TELEPHONE CORPORATION**

**1961-1965**

- **Executive Development Program**

**Managed computer center, billing/cost accounting for West Texas (including 2 year military leave).**

**EDUCATION**

**Master of Science, Mgmt. and Admin. Science, University of Texas at Dallas – 1975**

**Bachelor of Arts, Mathematics (Philosophy), Texas Christian University – 1961**

**Adjunct Professor graduate school, University of Texas – Dallas**

**Adjunct Professor graduate school, The University of Dallas**

**Distinguished Lecturer Practitioner, University of Georgia**