IN THE UNITED STATES PATENT TRIAL AND APPEAL BOARD

In re *Post-Grant Review* of:	)	
	)	
U.S. Patent 7,904,326	)	U.S. Class: 705
	)	
Issued: March 8, 2011	)	Group Art Unit: 3687
	)	
Inventor: Shari Gharavy	)	Confirmation No. 5432
	)	
Application No. 09/896,144	)	
	)	
Filed: June 29, 2001	)	FILED ELECTRONICALLY
	)	PER 37 C.F.R. § 42.6(B)(1)
For: METHOD AND APPARATUS	)	
FOR PERFORMING COLLECTIVE	)	
VALIDATION OF CREDENTIAL	)	
INFORMATION	)	
	)	

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DECLARATION OF JANIS MCGUFFEY IN SUPPORT OF PETITION FOR COVERED BUSINESS METHOD PATENT REVIEW OF U.S. PATENT NO. 7,904,326

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I.   BACKGROUND AND QUALIFICATIONS

1.   My Name is Janis McGuffey. I am currently the Assistant Vice President of Application Services for USHealth Group Administrators, LLC located in Fort Worth, Texas.

2.   I am over the age of eighteen and otherwise competent to make this declaration. I make this declaration from my personal knowledge and if called to testify to the contents of it, could and would do so competently.

3.   I have been retained as an expert litigation consultant on behalf of Callidus Software Inc.

4.   I am being compensated for my time at my standard consulting rate, which is $225 per hour.   My compensation does not depend in any way on the outcome of this proceeding.

5.   In preparing this Declaration, I have reviewed US Patent No. 7,908,304 dated March 15, 2011, US Patent No. 7,958,024 dated June 7, 2011, and US Patent No. 7,904,326 dated March 8, 2011.

6.   I have worked in the life and health insurance industry since 1995 and have worked for companies selling a variety of financial services products. A copy of my resume is attached as Exhibit A. In September 1995, I started at States General Life Insurance Company ("States General") in Fort Worth, Texas as a data entry processor in the New Business department. Within my first six months, I had learned every position within the department and was promoted to Team Leader. Less than eight months later, I was promoted to System Analyst in the Information Technologies (IT) department and, shortly after that, I was promoted to Senior System Analyst, also in the IT department. As a Senior System Analyst, my job responsibilities included product administration support, quality control testing, researching reported issues and fixing system bugs.

7.   At States General, we marketed life and health insurance products for a single agency, Cashion Insurance Agency. We processed new business, provided agency support services, which included maintaining state licenses and issuing company appointments for all agents, processed agent commission payments and insurance claims, provided customer service, and collected premiums. States General was organized into several departments including Agency Services, Premium Accounting, New Business, Policy Owner Services, Claims, and IT. At the time, each department used two systems from Genelco Software Solutions called Life Support Plus (LSP) and Health Claims Plus (HCP) to manage commission hierarchies, perform license validation, calculated commission amounts, and evaluate agent debt management to generate commission checks. Genelco's LSP was a life insurance product and HCP was a health insurance product. As a System Analyst and Senior System Analyst, I became familiar with each department's use of both LSP and HCP and their required business processes for day-to-day operations.

8.   In May 1998, I accepted a position with Ascent Management (now USHealth Group Administrators, LLC). Ascent was a management company for insurance companies in Fort Worth, Texas. At Ascent, we administered life and health insurance policies for multiple insurance companies. Our primary clients were National Foundation Life and Freedom Life Insurance Company of America. Our services included issuance of new policies, calculating agent commissions, processing agent commission checks, maintaining agent state licenses, issuing agent company appointments, billing and collection of premiums and dues, providing customer service, claims services, and payments, as well as filing and determining policy pricing.

9.   I began at Ascent as a Senior Actuarial Analyst in the Actuarial department. As a Senior Actuarial Analyst, I was responsible for reviewing our

state filings that sought premium rate increases. If the state approved our proposed rate increase, my job was to enter the approved rates into a system called the PCMS system. When I arrived at Ascent, the PCMS system was used for policy administration for the services listed in Paragraph 8.

10.   In October 1998, I was selected to be on a team — called the "model office" — that was tasked with replacing the PCMS system. As a result, I moved to the model office department as a subject matter expert for the Actuarial Department. During my time in the model office, I worked with a software vendor and our senior management to identify our requirements for full system replacement. The replacement system we chose was LSP and HCP, developed by Genelco. We fully deployed LSP and HCP (the same systems that we had used at States General) in early 2000. At that time, I was promoted to Business Lead within the IT department.

11.   In December 2000, I left Ascent and accepted a position with Genelco in St. Louis, Missouri as a Senior Software Trainer and Consultant. My responsibilities included training new clients on LSP and working with existing clients to enhance their implementations of LSP. During my time at Genelco, my role expanded to include quality control support for new system releases, business analyst evaluations for programmers, and sales support for new client prospects.

12.   In December 2000, Genelco had more than 300 clients both nationally and internationally, including startup companies in need of a system to administer insurance policy services (e.g., new policy sales, agent licensing and appointment tracking, premium collections, and claims processing) as well as more established companies looking to convert from other systems to Genelco's products.

13.   In September 2005, I took a position at ACA Assurance (ACA), a small French Catholic fraternity in Manchester, New Hampshire. As ACA was also using Genelco's LSP product, I took a position as the Vice President of

Genelco Operations. At ACA, we sold life insurance and annuities products through direct marketing channels. Our services included issuance of new policies, calculating agent commissions and processing commission payments (checks and direct deposits), maintaining agent licenses and issuing agent appointments, billing and collecting premiums and dues, customer service, claims services and payments. My roles and responsibilities as Vice President of Genelco Operations included monitoring and auditing all processes at ACA that involved the LSP system. I was also responsible for the employees and processes for the New Business, Agency, and Customer Services departments.

14. In June 2008, I left ACA and took a position at USHealth Group Administrators, LLC ("USHealth") in Fort Worth, Texas as a Senior Business Analyst (Ascent Management, one of my former employers, changed its name to USHealth Group Administrators, LLC around 1995). Like Ascent, USHealth administered life and health insurance products for multiple insurance companies. USHealth's primary clients and services are the same as those listed in Paragraph 8.

15. When I rejoined USHealth as a Senior Business Analyst, my primary role was to implement a new rating software system called Ratabase developed by CGI. My job was to determine what business requirements were necessary for the Ratabase system to calculate insurance premiums for both newly issued policies as well as policy renewals.

16. For the past three years, I have served as an Officer in USHealth's IT department for Application Services. My responsibilities include monitoring and evaluating LSP and HCP systems for best performance practices. I currently manage eight employees — five System Programmers, two Business Analysts, and one Quality Control Specialist. In monitoring LSP and HCP systems, I ensure that these systems comply with state and federal regulations at all times. For example,

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