

Press Release: New York, NY and Houston, TX - May, 2009 - Paltalk, the leading real-time, video-based community, announced it has settled a lawsuit against Microsoft Corp. for infringement on two Paltalk patents numbers 5,822,523 and 6,226,686, which detail methods for deploying interactive applications over hosted networks and group messaging servers. The patents were originally filed in 1996 by MPath Interactive, a pioneer in the field of on-line video games and Paltalk acquired these patents from MPath in 2001.

The Paltalk patents protect the company's proprietary technology platform that enables server group messaging for interactive applications on the internet. The technology has many applications, including video games, video conferencing, and disseminating live communications from an organization to a large audience.

Paltalk filed suit against Microsoft Corp. on September 12, 2006, represented by Susman Godfrey L.L.P. and Heim Payne & Chorush L.L.P. Paltalk alleged Microsoft was using Paltalk's patented technology for its video game systems, specifically Halo 2 and Halo 3 running on Xbox LIVE. Paltalk defeated Microsoft's motions for summary judgment clearing the way for a trial between the two parties that began on March 9, 2009 in the Eastern District of Texas. The parties settled on the fourth day of trial with Microsoft agreeing to take a license to the two Paltalk Patents for an undisclosed sum of money. "After litigating with Microsoft for over two years to protect our intellectual property, it is gratifying to resolve this matter with Microsoft taking a license to Paltalk's patents," said Jason Katz, Founder and CEO of Paltalk.

Paltalk was represented by lead attorney Max Tribble, Brooke Taylor and Kalpana Srinivasan of Susman Godfrey L.L.P. and by Michael Heim, Doug Wilson, and Micah Howe of Heim Payne & Chorush L.L.P.

About Paltalk

Paltalk, is the premier provider of software and technology for real-time, rich media, interactive social networking and is the owner of 10 Patents with a number of additional Patents Pending. The Paltalk platform powers the largest collection of video based communities and continues to grow since it was launched in 1998. Paltalk now boasts millions of active members with nearly 100,000 people simultaneously chatting in rooms engaged in lively dialogues, meeting new friends, discussing the stock market, singing karaoke, and attending family reunions. The Paltalk community is vibrant due to the high quality of the room environments supported by a range of free moderation tools.

In addition, Paltalk delivers original programming geared to the interests of the community. Paltalk Interactive events have hosted such entertainment celebrities as William Shatner and radio personalities Opie and Anthony, among others. Paltalk supports IM pals on AOL, Yahoo, and ICQ and is available as a free download.

For more information, please visit: <http://www.paltalk.com>.

About Susman Godfrey L.L.P.

Susman Godfrey L.L.P., a law firm with more than 80 lawyers, was recently named one of the top litigation boutiques in the country by The American Lawyer. The firm represents plaintiffs and defendants in a broad range of commercial litigation matters, including antitrust, patent and intellectual property, securities and corporate governance litigation, energy, commercial and products liability, bankruptcy and financial restructuring, accounting malpractice, arbitration, climate change, and international litigation. The firm has offices in Houston, Dallas, Seattle, Los Angeles, and New York. For additional information, visit www.susmangodfrey.com.

About Heim Payne & Chorush L.L.P.

Heim Payne & Chorush L.L.P. specializes exclusively in high stakes patent and antitrust litigation, often involving multiple patents or portfolios. The firm's attorneys have specialized technical backgrounds in the electrical, chemical and biotech fields, giving them a significant edge in representing their clients in the courtroom. The firm often partners with small high tech companies, assisting them in enforcing their patent portfolios against their much larger competitors. The firm has offices in Houston and Austin. For more information, see www.hpcllp.com.