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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

MICHAEL E. ANDERER, Plaintiff, v. INAURA, INC., PETER V3, RODNEY A RASMUSSEN, DAVID M. MOCK, DAVID G. TURCOTTE, and V3 SYSTEMS, INC. Defendants.	**DECLARATION OF ERIC LINDSTROM IN OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION, TEMPORARY RESTRAINING ORDER, AND APPOINTMENT OF RECEIVER** Case No. 2:13-cv-00111- RJS-DBP Judge Robert Shelby Magistrate Judge Pead

ERIC LINDSTROM, pursuant to 28 U.S.C. S 1746 hereby declares as follows:

1. I am over 18 years of age, of sound mind and otherwise competent to make this Declaration. The statements set out in this Declaration are made the best of my personal knowledge unless otherwise stated.

2. I am a licensed attorney and CPA, and have been for the past 20 years.

3. I have significant managerial and financial experience in the tech and communications industry and have worked with and for several domestic and international companies, including Sprint, BellSouth, Citizens Communications, Frontier Communications, and Bresnan Communications

4. As a CPA/ attorney, I have worked with large Wall Street private equity firms putting together merger and acquisition deals, asset purchases, and corporate restructures, including, Quadrangle Group, Banc of American Capital Corporation, Banc of Montreal, Halyard Capital Partners, Catalysts Investors.

5. In or about January 2011, I was contacted by David Tucotte who introduced me to Peter Bookman. I met briefly with them at the Salt Lake City Airport to discuss a potential investment in V3. I turned down the offer to invest at that time.

6. In or about January 2012, I was again approached by David Turcotte to ask if I was interested in investing in V3 Systems, Inc. ("V3"). I again turned down the offer to invest in V3.

7. In late May 2012, I was in Atlanta for a meeting when I was contacted again by Mr. Turcotte. Mr. Turcotte was on his way to Atlanta for a tradeshow. I agreed to stay and extra day to meet with him to better understand what V3 did and the investment opportunity.

8. At the meeting in Atlanta, I was first introduced to virtualized desktops. I was informed by Mr. Turcotte that V3 was selling virtual desktops via an appliance (which I later understood to be a server), that allowed its customers to virtualize from 50 to 400 desktops on a single appliance.

9. Mr. Turcott also informed me that V3 had developed Desktop Could Orchestrator ("DCO"), proprietary virtualization software which allows IT administrators to easily manage local, cloud hosted, or hybrid virtual desktops.

10. In June 2012, I made my first investment in V3 and joined the company's board of directors. After joining the board, I was informed that V3 needed cash and was having a difficult time raising capital. I had extensive experience in raising capital and subsequently entered into a agreement with the V3 to help raise $6.0M for its Series A round.

11. In or about October 2012, I became President of V3, and served in that capacity until early December 2012, when I became President/ CEO. At that time, V3 was out of cash and desperately needed capital to continue operations.

12. As CEO, I was responsible for the overall direction and success of the company, which specifically included raising capital.

13. In order to achieve the success for the company, I focused on increasing product sales, developing software in-house to server our client's needs, developing intellectual property that could benefit V3's products, increasing revenue and building a business plan to enable V3 could meet its obligations.

14. From my review of documentation, I determined that in Inaura advanced approximately $418,000 to V3 from September 2010 to March 2011.

15. In March 2011, Inaura later converted that debt into 400,000 shares of common stock of V3.

16. In addition to the common stock provided to Inaura, V3 issued 450,000 shares of common stock each Priceline II, LLC (Rod Rasmussen's entity), and Datacenter, LLC (Peter Bookman's entity). In approximately August 2011, the number of shares owned by each was increased to 2,000,000 due to a stock split by V3.

17. Over time, V3 issues approximately 288,000 shares of common stock to employees of V3 exercising employee stock options.

18. The total number of outstanding shares of common stock is currently 4,688,403.

19. From January 2011 to May 2011, V3SP I, LLC, which consists of over 20 separate investors, invested approximately $1,200,000 into V3 in return for 4,479,283 shares of Series Angel Preferred.

20. The Series Angel Preferred Shares has a 1x liquidation preference over V3's common shares, paid at a rate of $0.2679 per share. The Series Angel Preferred Shares will receive their capital back before any funds are distributed to V3's Common Shares.

21. The funds from the Series Angel Preferred shareholders was essentially "seed capital," which enabled V3 continue growing its operations and generating sales for its products.

22. In January 2012, V3 was in need of additional capital and began raising its next round of capital – Series A Preferred Stock.

23. The Series A Preferred Stock has a 1x liquidation preference over Series Angel Preferred Stock.

24. V3 issued 17,779,538 Series A Preferred Shares to approximately 30 different investors, which are owed a minimum of $3,899,700 for principal and interest, or $4,763,138.23 if they are repaid at a rate of $0.2679 per share.

25. Therefore, before any common shareholders are paid funds, V3 must pay between $5,099,700 and $5,963,138.23 to the Series A Preferred and the Series Angel Preferred shareholder.

26. V3 does not know whether it will be able to raise sufficient funds from the stock to pay those that invested money into the company and have funds left over to pay common shareholder.

27. Cathy Voutaz worked as VP of Finance and then CFO of V3 from April 2011, until her termination in June 2013.

28. Ms. Voutaz, through various entities controlled by her ("Voutaz"), made several loans to V3. These funds were bridge loans in order to enable V3 to continue to fund business operations and to pay wages and commission. The bridge loans were evidenced by promissory notes from August 2011 through November 2012, in the total approximate amount of $1,890,955.

29. In or about January 2013, Ms. Voutaz presented notice of demand on V3 to pay her notes. Ms. Voutaz agreed to defer collection until her termination in June 2013.

30. In or about September 2013, Voutaz filed an action against V3 to recover monies lent by Voutaz to V3.

31. Had Voutaz prevailed on the action, she would have forced the company into bankruptcy and take the assets of V3, thus leaving the shareholders without any value.

32. Due to the damage that Voutaz could have done to V3, I spent numerous hours discussing her demands and working on a solution with her.

33. The solution was difficult because in order to repay Voutaz, V3 needed sufficient time to raise the capital it needed to repay the loans, give investors assurance that their funds would further the V3, and provide assurance to Voutaz that the funds would be repaid.

34. After months of legal work and negotiation, we reached an agreement with Voutaz that provided V3 some time to raise the capital necessary to pay Voutaz an agreed upon amount.

35. In an effort to raise funds to pay the Voutaz amount, pay other creditors, and allow V3 to survive, I explored various avenues for raising capital, merging with another company, and entering into an asset sale with another company.

36. The most promising deal looked to be with a Canadian company named Sphere 3D Corporation.

37. After months of negotiations, we agreed on an asset purchase price of $9,700,000, which consisted of $4,000,000 in cash and $5,700,000 in Sphere3D stock (calculated at $5.23/share) with the opportunity to get another $5,000,000 through an earn-out provision.

38. On or about March 23, 2014, V3 closed the asset sale transaction with Sphere3D.

39. The $4,000,000 in cash was distributed to as many creditors as possible at closing, and the stock has been held until it is unrestricted and can be sold on the TSX or the NASDAQ.

40. After the asset sale the only remaining asset held by V3 was the Sphere3D stock.

41. When entering the deal with Sphere, it was my understanding that V3 could take advantage of the Regulation S exemption under Rule 144 because V3 is a US corporation holding stock listed on the TSX.

42. I am not a securities attorney but I understand that the Regulation S exemption would allow V3 to sell the restricted stock on the TSX after holding it for four months, rather than having to wait six months under Rule 144.

43. Because the asset purchase closed on March 23, 2014, therefore the Regulation S exemption would allow V3 to sell stock and raise money on the TSX on July 23, 2014.

44. In July 2014, V3 hired a securities attorney, William Macdonald, who was well versed in cross boarder stock deals to handle the removal of the legend so the stock could be sold.

45. Mr. Macdonald wrote an opinion letter to the transfer agent, TMX Equity Transfer Services, Inc., asking that the legend be removed pursuant to Regulation S of the Securities Act of 1933.

46. To date, Sphere 3D has rejected the removal of the legend and has prohibited V3 from selling its shares.

47. V3's money restraints have prohibited it from pursuing legal action against Sphere3D regarding its refusal to remove the legend from the shares.

48. V3 has been left with little choice other than to wait until September 23, 2014, he expiration of the six-month waiting period set forth by Rule 144.

49. Because V3's only remaining asset is the Sphere3D stock, its sole purpose is to wind-up the company.

50. My understanding of V3's obligations in winding up is that it needs to dissolve, manage the stock, pay its creditors, distribute the remaining funds to shareholders pursuant to the bylaws, and shut down the company.

51. V3 as no liquidity until it is able to liquidate the stock and receives earn out payments.

52. Once V3 is able to sell stock, it will begin to pay creditors pursuant to the liquidation plan proscribed by Nevada statute.

53. Mr. Shields has explained that Section 78.590 of the Nevada Revised Statute ("NRS"), converts the Board of Directors to liquidating trustees upon dissolution.

54. Section 78.610, NRS, regulates the payment of claims and distributions to shareholders in a strict priority. It provides:

The trustees…., after payment of all allowances, expenses, and costs, and the satisfaction of all special and general liens upon the funds of the corporation to the extent of their lawful priority, shall pay the other debts due from the corporation, if funds in their hands shall be sufficient therefore, and if not, they shall distribute the same ratably among all creditors who shall prove their debts….. If there shall be any balance remaining after the payment of the debts and necessary expenses (or making adequate provision therefore), they shall distribute and pay the same to and among those who shall be justly entitled thereto, as having been stockholders of the corporation….

55. It has been explained to me that all debts must be paid or provided for (the latter language dealing with contingent, unliquidated or disputed debts) before any distributions to stockholders can be made.

56. Mr. Shields has advised the Board that this priority as between creditors and equity must be observed. I have focused on keeping this priority as I have discussed the plan with individual shareholders and creditors.

57. It has also been explained to me that "lawful priority" dissolution estates typically adopt the priority scheme of the United States Bankruptcy Code, which is similar to, but more specific, than the Nevada statute. The Plan of Dissolution approved by the Board for V3 adopts those provisions.

58. Mr. Shields also explained that under the so-called "absolute priority rule" under the Bankruptcy Code, equity is typically the last class of interests to be paid even under reorganizing Chapter 11 plans, assuming equity interests survive at all. To my knowledge, no distributions of any kind have been made, or promised ahead of creditor claims, to any equity interest holder. In fact, with the help of counsel and the board of directors, the letter sent to the shareholders on August 5, 2014 explained this priority and provided an earlier draft of the Plan of Dissolution.

59. I view my responsibilities and obligations imposed by Nevada law and the priorities that creditors normally receive over equity holders. Accordingly, I would only be a part of an organization that satisfies it obligations to creditors first, before paying anything to stockholders and non-creditor third parties.

60. I have worked carefully to assure that V3 has completed its post closing obligations, which precede formal dissolution.

61. As referenced above, on August 20, 2014, V3's Board approved, for submission to the shareholders, a Plan of Dissolution. V3 has since been garnering shareholder support for the Plan.

62. Mr. Shields has explained to me that the Nevada Revised Statutes ("NRS") contain specific provisions concerning priority of payment in dissolution. Specifically, NRS §§ 78.565 through 78.620, entitled "Sale of Assets: Dissolution and Winding Up," govern that process.

63. Due to my previous dealings with Bill Kesselring, I suggested that be appointed as the manager of the dissolution of V3.

64. I have read the Declaration of Mike Anderer submitted in support of his motion for a preliminary injunction. While I disagree with the premise of his declaration, as a whole, there are facts that I disagree.

65. In paragraph 18 of Mr. Anderer's declaration he says "I was threatened at or about that time, by Kesselring, that V3 would use all of its cash and assets (at that time roughly $5,000,000) in the defense of Mock in this lawsuit." At present, this would be impossibility because V3 does not have any liquid assets.

66. In paragraph 19 of Mr. Anderer's declaration he says "Neither Linstrom [sic] nor and [sic] V3 lawyer told me or any of my lawyers, at any time, that Lindstrom was not fully authorized by V3 to conduct those negotiations and consummate a deal. By July 1, 2014 we had

essentially come to agreement on virtually all deal points, to the extent that the V3 Board was supposed to meet and approve those terms on July 2, 2014." In fact, I did have the authority to negotiate the deal and the board was in favor to the economic terms of the settlement. However, on advice of counsel, the board and Mr. Anderer were unable come to an agreement on the language contained in the release.

67. In paragraph 23 of Mr. Anderer's declaration he states that he discovered "that V3 was in breach of its asset purchase agreement with Sphere, had not met milestones and is not entitled to any portion of the earn out." There are numerous purported breaches made by both Sphere 3D and V3 in the asset purchase agreement. The milestones in connection with the earn out are over a 15 month period, which concluded in June 2015. It is simply too early to tell whether or not V3 will not meet the milestones.

68. In paragraph 26 of Mr. Anderer's declaration he states that I was ousted from control of V3 and Mock/GMG forces took over. First, as one of 5 board members, I was never in control of V3. Since I am an employee of Sphere 3D, I try to focus all as much time and energy as possible creating value Sphere 3D, thereby creating value for V3. However, I continue to sit on the board of directors, and represent the Series A Preferred shareholders.

DATED THIS 16th DAY OF SEPTEMBER 2014.

ERIC LINDSTROM