



Vertical Computer Systems, Inc.

Global Web Services Provider

Tuesday, May 7, 2024

Dear VCSY Stockholders,

Over the past 3 years, VCSY and its subsidiary NOW Solutions have been bridled in defending the Companies in litigation and other fiduciary malfeasance and attacks brought on by the various nefarious fiduciary dealings and corrupt acts by the former CEO and several individuals who helped perpetuate this. As the CEO and a Board member, I can attest that we have been dedicated and focused to defend and actively pursue legal strategies and actions to hold those accountable and continue to operate. I can say this has been consuming and no easy task.

The former CEO Richard Wade has been sued and found liable for violating his fiduciary responsibilities and embezzlement in pursuit of his personal gain. The final appeal by Mr. Wade is in the Texas Supreme Court and we expect them to uphold our verdict received. The success of the current Board, VCSY shareholders, and our legal team in prosecuting those involved has been relentless and necessary. These actions were necessary to protect the shareholders' interests and the Company's.

Today, May 7th, 2024 we filed in the United States District Court for the Eastern District of Texas Sherman Division **CASE NO. 4:24cv395** (Case details can be found at: <http://www.vcsy.com/investor.php>), as the Plaintiffs Vertical Computer Systems Inc., and NOW Solutions, Inc. against Derek Wolman and Davidoff, Hutcher, and Citron LLP.

This lawsuit came about because of discovering the level of involvement and questionable loan and billing practices by the parties involved, including Richard Wade and by actions of Derek Woman, a lawyer for the firm and associate in several Richard Wade dealings with him. They swept a NOW account used for Company payroll. We sued in NY court to reverse a levy based on what we believed to be a falsified statement to court. The judge did not rule on the core cause of the levy, and rather to defendants in this case favor without consideration to the facts not heard. Upon deep dive we discovered a number of financial irregularities and funding patterns we believed both unethical and benefiting the law firm and their lawyer Derek Wolman. The case is now public knowledge, and we want to inform you.

We will keep you posted.