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12 Attorneys for Debtor and Debtor-in-Possession  
13 TECHNOLOGY PROPERTIES LIMITED LLC

14 **UNITED STATES BANKRUPTCY COURT**  
15 **NORTHERN DISTRICT OF CALIFORNIA**  
16 **SAN JOSE DIVISION**

17 In re:  
18 TECHNOLOGY PROPERTIES LIMITED  
19 LLC, a California limited liability company,  
20 Debtor.

21 Case No.: 13-51589SLJ  
22 Chapter 11  
23 Date: December 5, 2013  
24 Time: 1:30 p.m.  
25 Place: Courtroom 3099  
26 280 South First Street  
27 San Jose, California

28 **TPL PLAN OF REORGANIZATION**  
**(NOVEMBER 22, 2013)**

29 Debtor and debtor in possession Technology Properties Limited LLC ("TPL") hereby  
30 submits to its creditors the TPL Plan of Reorganization (November 22, 2013)(the "Plan"),  
31 pursuant to Chapter 11 of Title 11 of the United States Code. This Plan is a plan of  
32 reorganization under which TPL will operate and pay its creditors quarterly for a period of five

1 years after this Plan's effective date, or such longer time, without limitation, as may be required  
2 to achieve full payment of all allowed claims with interest. Such Quarterly Payment (as defined  
3 herein) shall be comprised of 100% of the distribution of MMP Portfolio proceeds from PDS to  
4 TPL and, for a period of time, 12% of Adjusted Gross Revenue. Until full payment of all allowed  
5 claims is made, TPL shall allow a nominee or representative of the Creditors' Committee to  
6 occupy its seat on the PDS Management Committee. Payments will be made on a quarterly basis  
7 until the estate has been fully administered.  
8

### 9 I. DEFINITIONS

10 As used in this Plan, the following definitions shall apply:

11 1.01 "13% Investors" refer to Chet and Marcie Brown, Susan Anhalt, Mac Leckrone,  
12 John Leckrone, Todd Kirkendall, the Estate of James V. Kirkendall, and Alan Marsh.  
13

14 1.02 "Administrative Claim" means a claim entitled to priority under Section 507 of  
15 the Code.

16 1.03 "Adjusted Gross Revenue" or "AGR" means Gross Revenue less amounts owing  
17 under patent litigation counsel contingency retainer agreements for CORE Flash, Fast Logic and  
18 3D ART, and agreements with third-party inventors including but not limited to Thunderbird  
19 Technologies and Adrian Sfarti.

20 1.04 "Alliacense Services Agreement" means that March 19, 2012 Amended Services  
21 Agreement between TPL and Alliacense Limited, LLC.

22 1.05 "Allowed" refers to a claim which is evidenced by either (a) a timely-filed proof  
23 of claim docketed by the Bankruptcy Court, or (b) an amount contained in TPL's Schedules of  
24 Liabilities D, E, or F, or any amendments thereto, and listed as other than disputed, contingent or  
25

1 unliquidated, to which no objection has been filed, or which has been allowed by a final Order of  
2 the Court.  
3

4 1.06 "Bankruptcy Case" means In re Technology Properties, Limited, LLC, Chapter 11  
5 case number Case No.: 13-51589SLJ and pending in the Court.

6 1.07 The "Brown/TPL Appeal" means the appeal arising from the entry of judgment  
7 against TPL in Santa Clara Superior Court case number 1-09-CV-159452.

8 1.08 "CCC" means Cupertino City Center Buildings, a California Limited Partnership.

9 1.09 "Cash" means cash and cash equivalents, including but not limited to checks and  
10 similar forms of payment or exchange.

11 1.10 "Claim," as used herein, is defined in Section 101(5) of the Code.

12 1.11 "Claims Trust Account" means the trust account to be established and utilized by  
13 TPL to pay claims from and after the Effective Date.  
14

15 1.12 "Code" means title 11, United States Code, Sections 101 through 1330.

16 1.13 "Confirmation" means the date of entry of the Confirmation Order.

17 1.14 "Confirmation Order" means the Order confirming the Plan under Section 1129  
18 of the Code.

19 1.15 "Court" means the United States Bankruptcy Court for the Northern District of  
20 California, San Jose Division 5, acting in the Bankruptcy Case.

21 1.16 "Creditor Trust" means that trust for the benefit of creditors, established as of  
22 Confirmation and set forth in the Confirmation Order.

23 1.17 "Creditor Trust Trustee" means the person approved at the Confirmation hearing  
24 to be trustee of the Creditor Trust, selected by the Court from a list compromised of John  
25 Richardson, David Bradlowe, and Susan Uecker, who shall have the following powers and  
26

1 duties: (1) to receive and distribute funds for the payment of creditors under the Plan; (2) to  
2 investigate all claims by and causes of action against TPL insiders and non-insider creditors; and,  
3 (3) to bring, defend or challenge any and all claims and causes of action that he or she reasonably  
4 believes should be prosecuted in his or her business judgment.  
5

6 1.18 "Creditors' Committee" means the Official Unsecured Creditors' Committee of  
7 Technology Properties Limited LLC.

8 1.19 "Disputed Claim" means any claim which is not an Allowed Claim.

9 1.20 "Distribution Agent" means the Creditor Trust Trustee or his or her designee.

10 1.21 "Effective Date" means 30 days after the entry of the Confirmation Order, or such  
11 later date as TPL has sufficient cash to make all payments required under the Plan on the  
12 Effective Date, provided however that the Effective Date shall be July 1, 2014, if no earlier date  
13 is declared by TPL.  
14

15 1.22 "Gross Revenue" means cash received by TPL during each calendar quarter from  
16 (i) operations, including license payments, litigation settlements, judgments, damage awards and  
17 service fees, (ii) asset sales and (iii) interest and dividends.

18 1.23 "Incentive Compensation Contracts" mean the agreements between TPL and Mac  
19 Leckrone, Dwayne Hannah, Janet Neal, Mike Davis, Robert Neilson and Nick Antonopoulos.

20 1.24 "ITC" means the United States International Trade Commission.

21 1.25 "MMP Portfolio" means the Moore Microprocessor Portfolio.

22 1.26 "Notice Parties" means those persons and entities who have advised TPL in  
23 writing of their desire to receive notices of matters as to which TPL must provide notice under  
24 the Plan such as applications for compensation.  
25

26 1.27 "Patriot" means Patriot Scientific Corporation.  
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2 1.28 “PDS” means Phoenix Digital Solutions LLC.

3 1.29 “PDS Revenue” means the distribution from PDS of revenue from the MMP  
4 Portfolio to which TPL is entitled as a Member of PDS which does not include fees and expenses  
5 paid to TPL by PDS.

6 1.30 “PDS Management Committee” means the Management Committee of PDS.

7 1.31 “Patent Actions” refers to the ITC and District Court actions involving the MMP  
8 Portfolio, the CORE Flash Portfolio and the Fast Logic Portfolio.

9 1.32 “Plan” means the TPL Plan of Reorganization (November 22, 2013) in its current  
10 form or as it may be amended and/or supplemented from time to time.

11 1.33 “PTO” means the U.S. Patent and Trademark Office.

12 1.34 “Quarterly Payment” means (i) the payment made by TPL to the Claims Trust  
13 Account after the close of each full calendar quarter following the Effective Date comprised of  
14 12% of AGR for such quarter until Classes 1 through 6 are paid in full plus (ii) the payment  
15 made by PDS to the Claims Trust Account after the close of each full calendar quarter following  
16 the Effective Date comprised of 100% of PDS Revenue, as adjusted herein or otherwise by  
17 consent of the Claims Trust Trustee.  
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19 1.35 “Responsible Corporate Individual” means Mr. Daniel E. Leckrone.

20 1.36 The “TPL/Moore ‘Roe’ Litigation” means Santa Clara Superior Court Action  
21 number 1-10-CV183613, entitled *Charles H. Moore v. Technology Properties Limited. et al.*

22 1.37 Unsecured Creditors’ Lien means a lien junior to all existing liens against all  
23 assets of TPL granted on the Effective Date to secure the payment of Allowed claims in Class 6  
24 and Class 7.  
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2 1.38 “Venkidu” means Arockiyaswamy Venkidu, as representative of the former  
3 shareholders of OnSpec Electronic Inc.

4 1.39 “WCR” means TPL’s \$1.0 million working capital reserve.

## 5 **II. PLAN OF REORGANIZATION**

6 2.01 General: The treatment of claims described below applies only to Allowed  
7 Claims. Distributions to claimants who hold Claims which are not Allowed Claims as of the  
8 Effective Date will be withheld in accordance with the Plan’s provisions for the treatment of  
9 Disputed Claims.

10 2.02 Unclassified Claims: Section 1123(a)(1) of the Code provides that certain claims,  
11 including administrative expense claims and post-petition tax claims by governmental units  
12 entitled to priority under Section 507(a)(2) of the Code, and pre-petition unsecured priority tax  
13 claims entitled to priority under Section 507(a)(8) of the Code are not classified under the Plan.  
14 Unclassified claims include expected fees for estate professionals Binder & Malter, LLP, Dorsey  
15 & Whitney, LLP, and other TPL and Committee professionals employed under Section 327 and,  
16 as may be the case, also Section 328 of the Code.

### 17 2.03 Classified Claims:

18 2.03.1 Class 1 consists of the Allowed Claims of unsecured creditors entitled to  
19 priority under Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

20 2.03.2 Class 2 consists of the Allowed, first priority secured Claim of CCC.

21 2.03.3 Class 3 consists of the Allowed, second priority secured Claim of Daniel  
22 E. Leckrone.

23 2.03.4 Class 4 consists of the Allowed, third priority secured Claim of Venkidu.  
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2 2.03.5 Class 5 consists of the Allowed Claims of (1) holders of unsecured debt  
3 with a face amount of \$5,000 or less, (2) holders of Allowed Claims that are both unsecured and  
4 are reduced by agreement to \$5,000 or less, and (3) holders of claims reduced by an Order of the  
5 Court on an objection to an Allowed Claim of \$5,000 or less.

6 2.03.6 Class 6 consists of the Allowed Claims of holders of general unsecured  
7 obligations by TPL.

8 2.03.7 Class 7 consists of the unsecured Allowed Claims of the 13% Investors.

9 2.03.8 Class 8 consists of the interests of Daniel E. Leckrone in TPL.

10 2.04 Treatment of Claims:

11 Unclassified Claims.

12 2.04.1 Administrative Claims For Professional Fees. Professional persons  
13 who hold Allowed Claims entitled to priority as administrative expenses under Section 507(a)(2)  
14 of the Code shall receive payment of their Allowed Claims in Cash upon the issuance of an  
15 interim or final Court Order approving such payments except to the extent that a claimant or  
16 claimants may agree to a less favorable treatment in writing.

17 2.04.2 Other Administrative Claims. Any other persons or entities which  
18 may hold Allowed Claims entitled to priority as administrative expenses under Section 507(a) of  
19 the Code, shall receive payment of their Allowed Claims in Cash on the Effective Date, unless  
20 otherwise agreed by a particular claimant.

21 Classified Claims.

22 2.04.3 The holders of Class 1 Allowed Claims shall receive payment of  
23 100% of the amount of their Allowed Claims, without interest, on the Effective Date.  
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2                   2.04.4           CCC shall receive on account of its Class 2 Allowed secured  
3 Claim payment in full over time with interest at a rate reduced from contract as follows: CCC  
4 shall retain the lien against its collateral. CCC shall receive 75% of the Quarterly Payment until  
5 CCC has been paid in full, which shall occur within 4 months after the Effective Date. CCC  
6 shall not receive, and by voting affirmatively for the Plan waives, the last \$50,000 of accrued  
7 interest owed under its settlement agreement with TPL. The remaining 25% of the Quarterly  
8 Payment shall be deposited into the Claims Trust Account and reserved to pay interest to Mr.  
9 Venkidu as set forth in Section 2.04.6 and the claims of Class 6 unsecured creditors under the  
10 Plan. CCC's lien shall remain on said funds until it has been paid in full. By voting in favor of  
11 the Plan CCC consents explicitly to the payment of the aforementioned 25% of the Quarterly  
12 Payment

13  
14                   2.04.5           Daniel E. Leckrone shall voluntarily subordinate his secured claim  
15 until such time as (a) the Plan has been completed; (b) the Bankruptcy Case has been dismissed  
16 or converted; or (c) five years has passed following the Effective Date, and CCC, Venkidu and  
17 the holders of Class 6 Allowed unsecured Claims have been paid in full. After one of the  
18 aforementioned events have taken place, Mr. Leckrone shall receive on account of his Class 3  
19 Allowed secured Claim payment in full over time with interest as follows: Mr. Leckrone shall  
20 retain the lien against his collateral, and after payment of all unclassified and classified Allowed  
21 Claims set forth in Classes 1-6 herein has been completed, Mr. Leckrone shall receive 75% of  
22 the Quarterly Payment until his Allowed secured Claim has been paid in full with interest at 3%  
23 *per annum*. The remaining 25% of the Quarterly Payment shall be deposited into the Claims  
24 Trust Account and reserved to pay the claims of Class 7 under the Plan. Mr. Leckrone's lien  
25 shall remain on said funds until it has been paid in full. By voting in favor of the Plan Mr.  
26  
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1  
2 Leckrone consents explicitly to the payment of the aforementioned 25% of the Quarterly  
3 Payment to Class 7 creditors before he has been paid in full.

4                   2.04.6           Mr. Venkidu shall receive on account of his Class 4 Allowed  
5 secured Claim payment in full over time with interest at a rate reduced from the contractual 8%  
6 to 7% as follows: Mr. Venkidu shall retain his lien against his collateral. After payment in full  
7 to CCC, Mr. Venkidu shall receive 75% of the Quarterly Payment until Mr. Venkidu has been  
8 paid in full. Until the payment in full of CCC and commencement of payments of 75% of NPO,  
9 Mr. Venkidu shall receive monthly interest payments on his entire Allowed Claim at a rate of 7%  
10 simple interest per year, to be paid from the remaining 25% of the Quarterly Payment. Once Mr.  
11 Venkidu is receiving 75% of the Quarterly Payment, the remaining 25% of the Quarterly  
12 Payment shall be deposited into the Claims Trust Account and reserved to pay the claims of  
13 Class 6 unsecured creditors under the Plan. Mr. Venkidu's lien shall remain on said funds until  
14 he has been paid in full. By voting in favor of the Plan, Mr. Venkidu consents explicitly to the  
15 payment of the aforementioned 25% of the Quarterly Payment to general unsecured Class 6  
16 creditors before he has been paid in full.

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18                   2.04.7           Holders of Class 5 Allowed Claims shall receive payment in full of  
19 their Allowed Claims, to the extent they have been reduced by agreement or by final Order of the  
20 Court to \$5,000 or less. Payment shall occur on the Effective Date.

21                   2.04.8           Holders of Class 6 Allowed Claims shall on the Effective Date  
22 become the beneficiaries of the Unsecured Creditors' Lien and receive payment in full over time  
23 as follows: holders of Allowed Claims will receive quarterly *pro rata* payments of 25% of the  
24 Quarterly Payment (less interest paid to Mr. Venkidu) until Class 2 and Class 4 have been paid in  
25 full and 100% of the Quarterly Payment following the payment in full of the Allowed Claims in  
26

1 Class 1, Class 2, Class 4, and Class 5. Holders of Class 6 Allowed Claims shall receive interest  
2 on their claims from the Petition Date calculated at three percent *per annum* or such other rate as  
3 the Bankruptcy Court may direct is required in order to confirm the Plan.  
4

5 2.04.9 Holders of Class 7 Allowed Claims will, if they vote to accept the Plan,  
6 receive distributions equal to 20% of their Allowed Claims, without interest, following the  
7 completion of payment of all Allowed Unclassified Claims and Allowed Classified Claims in  
8 Classes 1-6. If Class 7 does not vote to accept the Plan pursuant to Section 1126(c) of the Code,  
9 then each holder of an Allowed Claim in Class 7 shall be entitled to receive payment in full as a  
10 member of Class 6, subject to TPL's and the Creditor Trust Trustee's right to (a) bring an action  
11 to subordinate such dissenting member(s) claims pursuant to Section 510(b) of the Code, or any  
12 other applicable law, or (b) challenge any Class 7 claim not voting to accept the Plan on any  
13 other ground.  
14

15 2.04.10 Mr. Leckrone shall retain his Class 8 interests in TPL without  
16 modification.  
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### 18 **III. CLASSES IMPAIRED BY THE PLAN**

19 3.01 Class 1, Class 2, Class 3, Class 4, Class 5, Class 6, and Class 7 are impaired by  
20 the Plan. Class 8 is unimpaired by the Plan.  
21

### 22 **IV. MEANS FOR EXECUTION OF THE PLAN**

23 4.01 The Creditor Trust Trustee shall establish a separate, segregated bank  
24 account by the Effective Date which shall be the Claims Trust Account. On or before the  
25 Effective Date, TPL shall fund said Claims Trust Account with funds from operations, which  
26 shall be used to enable the Claims Trust Trustee to make all payments due on the Effective Date;  
27 provided, however, that if there are not sufficient funds from operations to make all payments  
28

1 that are due on the Effective Date, then such payments shall be made *pro rata* until paid in full.  
2  
3 Following the close of each calendar quarter following the Effective Date, TPL shall transmit the  
4 Quarterly Payment to the Claims Trust Trustee for deposit into the Claims Trust Account;  
5 provided, however, that in any quarter in which the transmittal of the Quarterly Payment to the  
6 Creditor Trust Trustee would result in a reduction of the WCR, the Quarterly Payment for that  
7 quarter shall be reduced accordingly. Such reduction shall not be a Plan default as long as TPL  
8 has transmitted to the Claims Trust Trustee an amount equal to 12% of Adjusted Gross Revenue  
9 annually. The Creditor Trust Trustee shall distribute from the Claims Trust Account the sums  
10 specified in the Plan.

11           4.02 Subject to Section 4.01 above, on the Effective Date, the Creditor Trust Trustee  
12 shall pay any administrative priority claims for professional fees and costs allowed by Order of  
13 the Court unless the claimant agrees to another treatment. Professional fees and costs incurred  
14 after Confirmation by TPL's professionals shall be paid from the sums reserved for professional  
15 fees payable after the submission of bills in the ordinary course to TPL according to the notice  
16 procedure set forth in the Plan.

17  
18           4.03 Subject to Section 4.01, on the Effective Date the Creditor Trust Trustee shall pay  
19 all Class 1 and Class 5 Allowed Claims.

20           4.04 On the Effective Date, TPL shall execute and file documents granting holders of  
21 Class 6 Allowed Claims the Unsecured Creditors' Lien.

22           4.05 TPL shall pay into the Creditors Trust as a reserve on the Effective Date an  
23 amount equal to all currently asserted administrative claims to pay operating expenses and  
24 professional fees prior to the Creditor Trust Trustee making any distributions to creditors.  
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2 4.06 TPL shall pay the Creditor Trust Trustee the Quarterly Payment every quarter  
3 other than the WCR, which shall be built by withholding from the Quarterly Payment a total of  
4 \$1 million over no fewer than 2 quarters after Confirmation.

5 4.07 TPL shall reduce its annual operating budget for employee salaries, overhead, and  
6 G&A expenses to \$3 million until such time as holders of Allowed Claims in Classes 1, 2, 4 and  
7 5 are paid in full and holders of Allowed claims in Class 6 have been paid at least 50% of  
8 amounts owing, at which time TPL may increase its operating budget for staffing and salaries  
9 back to their original levels. As part of the aforementioned reduction Daniel E. Leckrone, Susan  
10 Anhalt, and Janet Neal shall commencing upon the Effective Date defer 10% of their salaries.  
11 The amount of salary deferred will be repaid by TPL from operating funds *pari passu* with the  
12 percentage of Allowed Class 6 claims paid by the Creditor Trust Trustee.

13 4.08 At the Effective Date, Daniel Leckrone will resign from the PDS Management  
14 Committee. TPL shall allow the Committee to select an individual to fill its seat on the PDS  
15 Management Committee for such time until the Allowed Claims have been paid in full, at which  
16 time Mr. Leckrone's seat on the PDS Management Committee shall be restored to him (or his  
17 heir, successor or assign) automatically and without further Order of the Bankruptcy Court,  
18 though Mr. Leckrone may decline to accept the seat. TPL, as a condition of granting permission  
19 under this Plan for PDS to pay TPL's share of distributions to the Claims Trust Trustee, shall not  
20 be bound by any requirement to fund PDS during such time, nor shall TPL lose any ownership  
21 interest in PDS during such time. If the PDS Management Committee demands that TPL fund  
22 PDS, then Mr. Leckrone's seat on the PDS Management Committee shall immediately revert to  
23 him or his heir, successor or assign with the authority to approve any third member of such  
24 Committee as may be permitted by law and contract.  
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1  
2 4.09 TPL shall continue to manage licensing, and litigation, and pay its contingent fee  
3 counsel and Alliacense according to the terms of the contracts with each of them and will be free  
4 to enter into new contracts with other counsel and service provides to prosecute existing or future  
5 litigation, manage prosecution and maintenance of patent Portfolios it commercializes and assist  
6 in its business affairs in its business judgment. TPL will also pay third-party litigation costs in its  
7 various litigations as well as pay for prosecution and maintenance related to the portfolios it  
8 licenses.

9 4.10 To the extent that insufficient cash is on hand at the Effective Date to pay any  
10 claim under the Plan in Class 1 or Class 5, ongoing sums collected by TPL shall be utilized to  
11 make such payments, and it shall not be a Plan default so long as the full amount contemplated  
12 by the Plan to be paid is made within one year of the Effective Date.

13 4.11 TPL is authorized, along with the Creditor Trust Trustee, to bring objections to  
14 the claims that it disputes and bring actions to recover preferential transfers and fraudulent  
15 conveyances pursuant to its avoiding powers under the Code, as well as any other legal or  
16 equitable actions as it deems appropriate. The list of persons and entities subject to potential suit  
17 and potential objections to claims is listed in Exhibit "B" to the Disclosure Statement. The  
18 Creditor Trust Trustee is authorized to object to the claims of Daniel E. Leckrone and any other  
19 insider or related entity, to seek the subordination or re-characterization of such claims as equity,  
20 or to bring suit for recovery from Mr. Leckrone or any insider under sections 547, 548, 550 or  
21 553 of the Code.  
22

23 4.12 TPL and the Creditor Trust Trustee are each separately and independently  
24 authorized and empowered to bring actions against the 13% Investors to subordinate or challenge  
25 their claims on any ground.  
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1  
2 4.13 TPL will operate and pay its creditors according to the terms of the Plan for a  
3 period of five years after the Effective Date, or such longer time, without limitation, as may be  
4 required to achieve full payment of all Allowed claims with interest as set forth in the Plan.  
5 Payment will be made on a quarterly basis until the estate has been fully administered.

6 4.14 The Plan will conclude when all objections to claims have been determined by  
7 final Order, all adversary proceedings have been resolved with a final judgment or Order of  
8 dismissal, applications for all professional fees have been heard and all amounts allowed paid, all  
9 U.S. Trustee fees have been paid, and any final reserves and monies owing have been collected  
10 and distributed.

## 11 **V. EXECUTORY CONTRACTS**

12  
13 5.01 The Plan treats TPL's executory contracts as follows:

14 5.01.1 Confirmation of the Plan, subject to paragraph 5.01.2 of the Plan, effects the  
15 assumption of the following contracts: (1) the TPL/Moore/PTSC/PDS agreement dated January  
16 23, 2013; (2) Commercialization Agreements for CORE Flash, Fast Logic and 3D ART; (3)  
17 TPL's Agreements with Thunderbird Technologies; (4) the Marcoux-TPL Settlement  
18 Agreement; (5) TPL's GE Copier leases; (6) TPL's Service Agreement with TriNet Acquisition  
19 Corporation; and (7) TPL's Plan Service Agreement with Fidelity Management Trust Company.

20 5.01.2 Confirmation of the Plan effects the rejection of the following contracts: (a)  
21 TPL's Commercialization Agreements with VNS Portfolio LLC, Wafer-Level Packaging  
22 Portfolio LLC, SWAT/ACR Portfolio LLC, Multipath Portfolio LLC, Interconnect Portfolio  
23 LLC, Online Security Portfolio LLC, Audio Technology Partners LLC, the Peerless Hearing Aid  
24 Company, SyberSay Communications Corporation; and (b) TPL's Service Agreement with  
25 Semiconductor Insights.

1  
2 5.01.3 All Incentive Compensation Contracts are rejected as of the Effective Date and  
3 any damages claimed as a result will be treated as general unsecured Class 6 claims unless  
4 subordinated by agreement or Order of the Bankruptcy Court.

5 5.02 Other contracts of TPL not previously and expressly assumed or rejected by TPL  
6 by final Order of the Court, such as its worldwide non-exclusive patent licenses, are deemed  
7 under such circumstances to have “passed through” the bankruptcy and will remain in effect  
8 without modification, including the Alliacense Amended Services Agreement.

9 5.03 Alliacense has agreed that TPL’s position of not assuming the agreement will not  
10 trigger an immediate termination by Alliacense of the agreement or a demand to renegotiate the  
11 payment structure of the agreement at market rates at this time.

12 5.04 TPL has requested that Alliacense further agree that damages resulting from an  
13 action to recover sums from Alliacense, successful or otherwise, shall be treated as a pre-petition  
14 Class 6 general unsecured claim, subject to further order of the Bankruptcy Court following  
15 action by the Creditors’ Trust Trustee, if any, to subordinate such claim.

16 5.05 If Alliacense fails by Confirmation to agree in writing to the treatment set forth in  
17 paragraph 5.04 of the Plan, then the Alliacense Services Contract shall be immediately rejected  
18 under Section 365 of the Bankruptcy Code without further notice or hearing after Confirmation.

19  
20 **VI. DISPUTED CLAIMS**

21 6.01 The Creditors’ Trust Trustee shall maintain in the Claims Trust Account prior to  
22 distribution 100% of the amount to which any the holder of any Disputed Claim would be  
23 entitled plus interest at the rate of interest accorded to that claim under the Plan. The Creditors’  
24 Trust Trustee shall hold that amount, plus additional distributions segregated, until such time as  
25 the rights of the claimant for whom funds have been segregated have been determined. If the  
26 claim becomes an Allowed Claim, then the Creditors’ Trust Trustee shall distribute the funds  
27

1 according to the terms of the Order allowing a particular claim. If the Disputed Claim is  
2 ultimately disallowed, then the Creditors' Trust Trustee shall utilize the funds withheld to pay  
3 creditors according to the terms of the Plan.  
4

## 5 **VII. VOLUNTARY SUBORDINATION OF CLAIMS**

6 7.01.1 The following creditor has agreed to voluntarily subordinate his pre-petition  
7 secured claim to the payment of all Allowed Claims in Class 1 through Class 6, inclusive, under  
8 this Plan: Daniel E. Leckrone. The subordination shall be effective until such time as (a) the  
9 Plan has been completed; (b) the Bankruptcy Case has been dismissed or converted; or (c) five  
10 years has passed following the Effective Date, and CCC, Venkidu and the holders of Class 6  
11 Allowed unsecured Claims have been paid in full.

12 7.01.2 Mr. Leckrone agrees to an open-ended extension of the statute of limitations for  
13 the Creditor Trust Trustee to bring avoidance actions under the Bankruptcy Code against him.  
14

## 15 **VIII. DIRECTION OF DISTRIBUTIONS AND UNCLAIMED PROPERTY**

16 8.01 The Creditor Trust Trustee shall mail payments under the Plan to the last known  
17 address of the holder of an Allowed Claim. Such address shall be the address set forth in TPL's  
18 Schedules of Assets and Liabilities unless updated by a proof of claim or other notice of change  
19 of address which has been both filed with the Court and served on TPL, the Creditor Trust  
20 Trustee, and their respective counsel.

21 8.02 If a payment is returned to the Creditor Trust Trustee for lack of a proper address,  
22 then TPL shall, after making reasonable efforts to locate a current address for the payee and send  
23 the payment, hold the returned payment for a period of 90 days. If the payee fails to claim the  
24 payment within that 90-day period, then the Creditors' Trust Trustee shall be entitled to return  
25 the payment to the Claims Trust Account and distribute it to the other creditors to pay their  
26  
27



1 Allowed Claims in accordance with the Plan, and the Claimant entitled to such payment shall be  
2 deemed to have been paid. "Reasonable efforts" are limited to checking the telephone directory  
3 and an internet search in the county in which the last known address of a creditor was located for  
4 a more current address.  
5

## 6 **IX. PLAN MODIFICATION**

7 9.01 The Plan may be modified only in accordance with the provisions of the Code.  
8 TPL shall be entitled to treat any claimant or class of claimants less favorably than is provided in  
9 the Plan with the written consent of the affected claimant or class of claimants.  
10

## 11 **X. GENERAL PROVISIONS**

12 10.01 Binding Effect of the Plan. The provisions of the Plan shall bind TPL or any  
13 person or entity asserting a claim against TPL, whether or not such claim arose before or after  
14 TPL filed the Bankruptcy Case, whether or not the claim is impaired under the Plan, and whether  
15 or not such person or entity has accepted the Plan.  
16

17 10.02 Jurisdiction of the Court. Until the case is closed, the Court shall retain  
18 jurisdiction to ensure that the purpose and intent of the Plan is carried out. The Court shall retain  
19 jurisdiction to (a) to determine the allowance or disallowance of claims and interests; (b) to hear  
20 and determine proceedings initiated before or after Confirmation and the Effective Date  
21 regarding the avoidance of lien transfers, recovery of property and subordination of claims and  
22 interests; (c) to fix and approve allowance of compensation and other administrative claims,  
23 including, if appropriate, payments to be made in connection with the Plan; (d) to adjudicate  
24 controversies arising from the terms of the Plan; (e) for the purpose of modifications of or  
25 amendments to the Plan to the extent permitted by Bankruptcy Code Section 1127 and Federal  
26 Rule of Bankruptcy Procedure 3019; (f) to enforce or interpret the provisions of the Plan, the  
27

1 Confirmation Order, or any other Order entered by the Bankruptcy Court in the Bankruptcy  
2 Case; (g) to facilitate the consummation of the Plan; (h) to enter an Order closing the Bankruptcy  
3 Case; and (i) for such other matters as may be set forth in the Plan or Confirmation Order.  
4

5 10.03 Injunction. The Confirmation Order shall provide, and shall operate as, an  
6 injunction against the commencement or continuance of any action, to collect, recover, or offset  
7 from TPL any claim or interest which is treated in the Plan, except as otherwise permitted by the  
8 Plan, or by final Order of the Court. The Court shall have jurisdiction to determine an award of  
9 damages to TPL for any violation of the injunction provided for in the Plan or the Confirmation  
10 Order, including but not limited to, compensatory damages, professional fees and expenses and  
11 costs, and exemplary or punitive damages for any willful violation of said injunction.  
12

13 10.04 Post-Confirmation United States Trustee Quarterly Fees. A quarterly fee shall be  
14 paid by TPL to the United States Trustee, for deposit into the Treasury, for each quarter  
15 (including any fraction thereof) until this case is converted, dismissed, or closed pursuant to final  
16 decree, as required by 28 U.S.C. §1930(a)(6).  
17

18 10.05 Post-Confirmation Reports. At the end of the first calendar quarter after entry of  
19 the Confirmation Order, TPL shall file a post-confirmation status report. The report shall explain  
20 the progress made toward substantial consummation of the Plan. The report shall include a  
21 statement of receipts and disbursements, with the ending cash balance, for the entire 90-day  
22 period. The report shall also include information sufficiently comprehensive to enable the Court  
23 to determine (1) whether the Order confirming the Plan has become final; (2) whether deposits, if  
24 any, required by the Plan have been distributed; (3) whether any property proposed by the Plan  
25 to be transferred has been transferred; (4) whether TPL under the Plan has assumed the business  
26 or management of the property dealt with by the Plan; (5) whether payments under the Plan have  
27

1 commenced; (6) whether accrued fees due to the United States Trustee under 28 U.S.C.  
2 §1930(a)(6) have been paid; and (7) whether all motions, contested matters and adversary  
3 proceeding have been finally resolved. Further reports must be filed every 90 days thereafter  
4 until entry of a final decree, unless otherwise ordered by the Court.  
5

6 10.06 Service Of Reports. A copy of each report shall be served, no later than the day  
7 upon which it is filed with the Court, upon the United States Trustee and such other persons or  
8 entities as may request such reports in writing by special notice filed with the Court.

9 10.07 Effect Of Failure To File Post-Confirmation Reports. Failure to timely file the  
10 required reports may constitute a ground for the bringing of a motion to convert or dismiss the  
11 Bankruptcy Case, whichever is in the best interest of the creditors and the estate, pursuant to  
12 Section 1112(b) of the Code

13 10.08 Final Decree. After the estate is fully administered, TPL shall file an application  
14 for a final decree. TPL shall serve the application on the United States Trustee. The form of  
15 proposed Order granting the application shall be approved by the United States Trustee prior to  
16 submission of the Order to the Court. The approval of the United States Trustee shall be a  
17 condition precedent to the entering of the final decree closing the Bankruptcy Case.  
18

19 10.09 Severability. Should any term or provision of the Plan be determined to be  
20 unenforceable, such determination shall in no way limit or affect the enforceability and operative  
21 effect of any other term or provisions of the Plan.

22 10.10 Plan Controls Disclosure Statement. In the event and to the extent that any  
23 provision of the Plan is inconsistent with or contrary to the provisions of the Disclosure  
24 Statement, the provisions of the Plan shall control and take precedence.  
25  
26  
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1  
2 10.11 Default Under Plan. Any holder of an Allowed Claim entitled to a payment that  
3 is not paid may serve TPL and the undersigned counsel at the address in the caption of this  
4 pleading with a notice of alleged default. Said notice must state with specificity the date of the  
5 alleged default, the amount which the noticing party claims was not paid, and any other relevant  
6 facts pertaining to the asserted default. If the alleged default is disputed by TPL, then TPL may  
7 contest the asserted default in the Bankruptcy Court at a hearing on at least 10 days' notice to the  
8 party claiming a default. Upon a final adjudication of the matter by the Court, if the alleged  
9 default is in fact a default and TPL fails to cure such default within thirty (30) days from the date  
10 of service of notice of default, then, on or after the 31<sup>st</sup> day after service of the notice, the  
11 noticing party may set a motion to convert the Bankruptcy Case to Chapter 7 for hearing before  
12 the Bankruptcy Court. The motion to convert shall be heard on not less than 21 days' notice.  
13 TPL may cure the default without prejudice to the continued effectiveness of the Plan until the  
14 issuance of an Order converting the Bankruptcy Case to Chapter 7.  
15

16 10.12 Vesting Of Property. Vesting of property of the estate in TPL pursuant to Section  
17 1141(b) of the Bankruptcy Code shall not occur until the Plan has been successfully completed.  
18 If TPL materially defaults on any obligations under the Plan, then upon successful post-  
19 confirmation motion to convert this case to a case under Chapter 7 of Title 11, by the United  
20 States Trustee or any party in interest, the Plan shall terminate, and the Chapter 7 estate shall  
21 consist of all remaining property not already administered. Such remaining property shall be  
22 administered by the Chapter 7 trustee as prescribed in Chapter 7 of the Bankruptcy Code. TPL  
23 reserves the right to oppose any such motion.  
24

25 10.13 Post-Confirmation Employment of Employees and Others. TPL may continue to  
26 employ and pay its employees subject to compliance with applicable state law. TPL's may  
27  
28

1  
2 continue to employ professionals for the purposes for which they were employed before  
3 Confirmation, and for such additional purposes as it may request. TPL also may employ other  
4 professionals as necessary to perform its responsibilities under the Plan and within its business  
5 judgment.

6 10.14 Post-Confirmation Compensation and Reimbursement of Professionals. All  
7 professionals employed by TPL or the Committee after Confirmation shall be entitled to  
8 payment of their reasonable post-Confirmation fees and reimbursement of expenses on a  
9 monthly basis, subject to the following:

10 (1) Each party requesting payment of such compensation shall serve a  
11 detailed statement of requested fees and expenses on TPL and the Notice Parties.

12 (2) Any Notice Party or other party in interest may object to any portion  
13 of the requested fees and expenses. Any objection to the payment of fees or reimbursement of  
14 expenses shall be in writing (and sufficiently detailed to allow the party whose compensation is  
15 subject to the objection an opportunity to respond, and ultimately allow the Bankruptcy Court to  
16 rule on such objection) and served on the Notice Parties and the party whose compensation is  
17 subject to the objection. Such an objection must be served within fifteen (15) days after service  
18 of the detailed statement.

19 (3) If there is no objection to a party's requested fees and expenses  
20 within such fifteen (15) day period, the Claims Trust Trustee shall promptly pay the requested  
21 amount of Committee Professionals' fees and costs in full from the Quarterly Payment; if no  
22 such funds exist, then such payment shall be delayed until funds from the Quarterly Payment are  
23 available and all Classes impacted by such payment have consented. TPL shall pay the fees and  
24 costs of its professionals from operations. If an objection to a portion of the fees or expenses  
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1 requested is timely served, TPL shall promptly pay the undisputed portion of such fees and  
2 expenses as set forth above.

3  
4 (4) To the extent that an objection is timely served, TPL or the Claims Trust  
5 Trustee, as the case may be, shall reserve monies in the amount of the disputed fees and expenses  
6 pending resolution of said objection subject to available funds from operations.

7 (5) Any objection to a request shall be resolved by either: (a) written  
8 agreement between the party requesting such fees and expenses and the objecting party; or (b)  
9 resolution of the disputed amount by the Bankruptcy Court pursuant to a Final Order. Resolution  
10 by the Bankruptcy Court shall be requested by motion filed and served on the Notice Parties in  
11 accordance with the Bankruptcy Rules and the Local Rules on not less than twenty (20) days  
12 notice and such motion may be filed by either the requesting party or the objecting party. Any  
13 opposition to the motion shall be filed and served no later than five (5) days prior to the hearing.  
14

15 (6) Professionals shall not otherwise be required to file applications for  
16 Bankruptcy Court approval of post-Confirmation fees and expenses.

17 10.15 Creditors' Committee. The Committee shall terminate and be dissolved on the  
18 Effective Date.

19 Post-Confirmation Notice.

20 10.16.1 Notice Generally. To the extent any action taken in the Bankruptcy  
21 Case on the Effective Date requires notice under the Bankruptcy Code or the Bankruptcy Rules,  
22 including compromises of controversy, the Order Limiting Notice entered in the Bankruptcy  
23 Case shall continue in effect and notice shall be required to the Notice Parties pursuant to the  
24 Notice Procedure, provided that notice shall not be required to any Person whose Claims have  
25 been paid in full.  
26  
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1  
2 10.16.2 Notice Procedure. Whenever the Plan requires TPL to comply with the Notice  
3 Procedure, TPL shall serve a written notice to the Notice Parties (each, a “Notice Recipient”) of  
4 the proposed action. TPL shall be authorized to take any action proposed to be taken in such  
5 notice fifteen (15) days after service of such notice unless before the expiration of such fifteen  
6 (15) day period a Notice Recipient has filed an objection to such proposed action with the  
7 Bankruptcy Court and scheduled a hearing on such objection within thirty (30) days after the  
8 filing of such objection and upon not less than twenty (20) days notice to all Notice Parties. If  
9 any such objection is filed, TPL will not take the proposed action unless the Bankruptcy Court  
10 approves such action or the objecting party withdraws the objection.

11 Dated: November 22, 2013 BINDER & MALTER

12  
13 By: /s/ ROBERT G. HARRIS  
14 ROBERT G. HARRIS

15 Attorneys for Debtor Technology Properties Limited, LLC

16 Dated: November 22, 2013 TECHNOLOGY PROPERTIES LIMITED, LLC

17  
18 By: /s/ DANIEL E. LECKRONE  
DANIEL E. LECKRONE

19 Its: Responsible Corporate Individual