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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11 IN RE:
12 TECHNOLOGY PROPERTIES LIMITED,
13 LLC, a California limited liability company,
14 Debtor.

Case No.: 13-51589-SLJ-11

Chapter 11

15 Date: October 2, 2014
16 Time: 3:00 p.m.
17 Place: Courtroom 3099
280 South First Street
San Jose, California

Honorable Stephen L. Johnson

18 **AFFIDAVIT RE TRACKED CHANGES TO DISCLOSURE STATEMENT**
19 **RE MOORE MONETIZATION PLAN**

20 TO THE UNITED STATES BANKRUPTCY COURT AND ALL INTERESTED
21 PARTIES HEREIN:

22 Attached hereto as Exhibit A is a true and correct markup of the Disclosure Statement
23 Re Moore Monetization Plan Dated August 28, 2014 as compared to the First Amended
24 Disclosure Statement Re Moore Monetization Plan Dated October 1, 2014, prepared using the
tracking function in Microsoft Word 2010.

25 Dated: October 1, 2014

Chiles and Prochnow, LLP

26
27 By: /s/Kenneth H. Prochnow

Kenneth H. Prochnow

Attorney for Creditor Charles H. Moore

28
AFFIDAVIT RE TRACKED CHANGES TO DISCLOSURE STATEMENT
RE MOORE MONETIZATION PLAN - 1

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19 **FIRST AMENDED DISCLOSURE STATEMENT RE:**
20 **MOORE MONETIZATION PLAN OF REORGANIZATION**

21 **DATED ~~AUGUST 28~~OCTOBER 1, 2014**

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED SEPTEMBER 30, 2014)

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED SEPTEMBER 30, 2014)

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED SEPTEMBER 30, 2014)

- X -

1 **ARTICLE I.**

2 **INTRODUCTION.**

3 This Disclosure Statement (the "MMP Disclosure Statement") has been prepared by
4 Charles H. Moore ("Mr. Moore") for the bankruptcy estate of Technology Properties Limited,
5 LLC (the "Debtor" or "TPL"). This MMP Disclosure Statement is provided in connection
6 with the solicitation of acceptances of the FIRST AMENDED MOORE MONETIZATION PLAN OF
7 REORGANIZATION (DATED AUGUST 28, _____, 2014), (the "MMP Plan"). The purpose of
8 the MMP Disclosure Statement is to provide adequate information of a kind, and in sufficient
9 detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the
10 condition of the Debtor's books and records, that would enable a hypothetical reasonable
11 investor typical of holders of Claims¹ and Interests to make an informed judgment about the
12 Plan.

13 An acceptance or rejection of the Plan must be in writing and may only be made by
14 completing the Ballot that accompanies the Plan. In order for your vote to be counted, it must
15 be received no later than _____. See Article XXII below for additional voting
16 instructions.

17 This MMP Disclosure Statement includes, among other things, a brief history of the
18 Debtor, a summary of its Bankruptcy Case, a description of the Claims against and Interests
19 in the Debtor, a summary of the Plan, a discussion of the Plan's feasibility and a liquidation
20 analysis setting forth what holders of a Claim against or Interest in the Debtor would recover
21 if the Debtor was immediately liquidated under Chapter 7 of the Bankruptcy Code.

22 **UPON BANKRUPTCY COURT APPROVAL OF THE PLAN, THE PLAN**
23 **WILL BE BINDING ON ALL CREDITORS AND INTEREST HOLDERS.**
24 **THEREFORE, IT IS IMPORTANT THAT CREDITORS AND INTEREST HOLDERS**
25 **READ AND CAREFULLY CONSIDER THIS DISCLOSURE STATEMENT AND THE**
26 **PLAN.**

27 _____
28 ¹ Terms not defined herein shall have the meaning ascribed to them in the Plan.

1 Mr. Moore requests that you vote promptly for the Plan upon carefully reviewing the
2 accompanying materials. For the reasons discussed in Article IV, Mr. Moore believes that the
3 restructuring contemplated by the MMP Plan will yield a recovery to Creditors that is greater
4 and more certain than the return that could be achieved through a liquidation under Chapter 7 of
5 the Bankruptcy Code.

6 If you have any questions regarding the procedures for voting, or any questions
7 concerning your treatment under the MMP Plan, please contact Mr. Moore's counsel whose
8 contact information is provided at the top of the first page of this Disclosure Statement.

9 Mr. Moore reserves the right to amend, modify, or supplement the MMP Plan at any
10 time before confirmation (approval) of the MMP Plan, provided that such amendments or
11 modifications do not materially alter the treatment of, or Distributions to, Creditors and the
12 Interest holder under the Plan.

13 **THIS DISCLOSURE STATEMENT CONTAINS INFORMATION**
14 **CONCERNING YOUR CLAIMS OR INTERESTS. PLEASE READ THIS**
15 **DOCUMENT WITH CARE. FOR THE CONVENIENCE OF CREDITORS AND**
16 **INTEREST HOLDERS, THIS DISCLOSURE STATEMENT SUMMARIZES THE**
17 **TERMS OF THE PLAN, BUT THE PLAN ITSELF CONTROLS OVER THIS**
18 **SUMMARY. IF ANY INCONSISTENCIES EXIST BETWEEN THE PLAN AND THIS**
19 **DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.**

20 **THE FINANCIAL INFORMATION CONTAINED HEREIN, UNLESS**
21 **OTHERWISE INDICATED, IS UNAUDITED. IN ADDITION, BECAUSE OF THE**
22 **DEBTOR'S FINANCIAL DIFFICULTIES AND BECAUSE THE PROPONENT OF**
23 **THE PLAN IS MR. MOORE RATHER THAN THE DEBTOR, THE INFORMATION**
24 **CONTAINED HEREIN MAY BE INCOMPLETE OR INACCURATE. FOR THE**
25 **FOREGOING REASONS, MR. MOORE AND HIS PROFESSIONALS ARE UNABLE**
26 **TO WARRANT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT**
27 **ANY INACCURACY. HOWEVER, GREAT EFFORT HAS BEEN MADE TO**
28 **ENSURE THAT ALL SUCH INFORMATION IS FAIRLY PRESENTED.**

THE PROFESSIONALS REPRESENTING MR. MOORE HAVE RELIED ON
INFORMATION PROVIDED BY THE DEBTOR IN CONNECTION WITH THE
PREPARATION OF THIS DISCLOSURE STATEMENT AND HAVE NOT
INDEPENDENTLY VERIFIED THE FACTUAL INFORMATION CONTAINED
HEREIN. THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE
CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. YOU SHOULD CONSULT
WITH YOUR OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX
AND RELATED MATTERS CONCERNING YOUR CLAIMS OR INTERESTS.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT
APPROVED OR DISAPPROVED THIS DISCLOSURE STATEMENT, OR
DETERMINED IF IT IS TRUTHFUL OR COMPLETE.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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ARTICLE II.
DEFINITIONS.

Defined terms used in this MMP Disclosure Statement have the meaning assigned and attributed to them in the accompanying MMP Plan.

ARTICLE III.
OVERVIEW OF CHAPTER 11 AND PLAN

A. The Chapter 11 Process.

The filing of a Chapter 11 bankruptcy petition creates a bankruptcy “estate” comprised of all of the property interests of the debtor. In many Chapter 11 cases, a debtor will remain in possession and control of its assets as the “debtor-in-possession” of the Estate. In such instances, the debtor may continue to operate its business in the ordinary course without Bankruptcy Court approval. The filing of the bankruptcy petition operates as an “automatic stay” which, generally, enjoins creditors from taking any action to collect or recover obligations owed by a debtor prior to the commencement of a Chapter 11 case. The Bankruptcy Court can, however, grant relief from the automatic stay under certain specified conditions or for cause. For example, in this case relief from stay has recently been granted by the Court to permit resolution through arbitration of a dispute between Mr. Leckrone and Patriot, concerning the makeup of the board of PDS.

A Chapter 11 debtor-in-possession has a period of time following the commencement of the case in which only the debtor may propose a plan providing for the liquidation and administration of the assets of the bankruptcy estate or for the reorganization of the debtor’s financial affairs and eventual emergence from bankruptcy. This time set aside for the submission of a debtor-promulgated plan is known as the “Exclusivity Period.” A Chapter 11 plan may either be consensual or non-consensual; it may provide, among other things, for the treatment of the claims of creditors and interests of equity holders.

During the Exclusivity Period in this case, the Committee and the debtor-in-possession engaged in discussions and negotiations over many months following the filing of Debtor’s

1 petition in March 2013, in an attempt to reach agreement on a consensual Chapter 11 plan.

2 Those discussions and negotiations failed to produce a consensual plan.

3 Finally, on December 5, 2013, the Bankruptcy Court, at the request of the Committee,
4 terminated the Exclusivity Period. The end of the Exclusivity Period permits any interested
5 party, including the Committee but certainly not excluding the debtor-in-possession, to propose
6 and file its own Chapter 11 plan. Accordingly, on February 14, 2014, the Committee proposed
7 its own Chapter 11 plan for Debtor TPL.

8 ~~Since~~Between February 14, 2014, and August 28, 2014, there ~~has been~~was no
9 discernible progress in this case. Neither the Committee's original plan nor the debtor-in-
10 possession's original plan ~~has~~was ever been presented to the Court for disclosure statement
11 approval or to permit a vote by the entitled and enabled creditors. Instead, the debtor-in-
12 possession and the Committee ~~have~~engaged in furthermany months of fruitless negotiations,
13 again seeking the consensual plan that eluded them during the Exclusivity Period.

14 During the months since February 2014, multiple hearings ~~have been~~were set by the
15 debtor-in-possession and Committee to present their consensual plan or to provide for a
16 schedule for hearing on its disclosure statement. At least seven times, reports of progress were
17 made, but no plan or disclosure statement was proffered, and the hearing was continued.

18 ~~Most recently~~, In light of representations of progress, the Bankruptcy Court ordered
19 debtor-in-possession and the Committee to submit and file their consensual Chapter 11 plan
20 and its disclosure statement by August 8, 2014, with a short, one-week period for comment on
21 the disclosure statement to follow.

22 Debtor-in-possession and the Committee ignored the Court's August 8, 2014 deadline,
23 without excuse or explanation.

24 While debtor-in-possession and the Committee debated and negotiated the terms of a
25 still-nonexistent Chapter 11 plan, the MMP Portfolio has languished. ~~No MMP Portfolio~~
26 ~~license has issued since August 2013.~~ No MMP Portfolio license issued between August 2013
27 and September 11, 2014. Belatedly, and with timing suspicious to Mr. Moore, an MMP license

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 was announced on September 11, 2004. That single license was issued to an operator of
2 amusement parks. Amusement parks do not make products that use microprocessors.
3 Regrettably, this license appears to be the very type of end-user license that is the hallmark of a
4 patent troll (in Mr. Moore's view, patent trolls often demand compensation for licensing end-
5 users of products that incorporate patented technologies, rather than compensation from the
6 manufacturer of the offending product itself). Mr. Moore's efforts to obtain information about
7 the gross revenue to be expected from this one-in-13-months license have been rebuffed by
8 PDS, because the license price is deemed "confidential." Under such circumstances, Mr. Moore
9 expects that when the revenue to be expected by TPL from this single license is revealed to him
10 in mid-October, it will be trivial in amount and insufficient to generate any funds to address
11 TPL creditor claims. Mr. Moore regrets that his non-insider status keeps him from such
12 information relating to the licensing of his invention.

13 Patents within the MMP Portfolio will begin expiring shortly. Debtor TPL is in
14 desperate need of a fresh start and a new direction.

15 It is against this backdrop that Mr. Moore -
16 - the co-inventor of the MMP Portfolio of patents,
17 - still the person with the greatest individual stake in the success of the commercialization of
18 his invention, and
19 - a creditor in this case,
20 ~~has~~ prepared and ~~is submitting~~ on August 28, 2014 submitted, his MMP Plan, *a Chapter 11*
21 *plan to move Debtor TPL forward.*

22 Following Mr. Moore's submission of his MMP Plan, the Debtor-In-Possession and the
23 OCC submitted their own "Joint Plan" on September 4, 2014. The Joint Plan was improperly
24 unaccompanied by the supposed "September 4, 2014 Joint Disclosure Statement" that the Joint
25 Plan references. Finally, several weeks later, the promised Joint Disclosure Statement joined

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 [the Joint Plan on file with the Bankruptcy Court. Hearing on the Joint Disclosure Statement is](#)
2 [presently set for October 14, 2014.](#)²

3 **B. Creditors to Be Paid in Full Pursuant to Plan.**

4 The MMP Plan provides for payment in full (with interest) to Creditors holding
5 Allowed Claims, over a period of five years (subject to further extension upon Bankruptcy
6 Court approval). Distributions to ~~most~~ Creditors will occur quarterly, ~~beginning one calendar~~
7 ~~quarter after January 1, 2015, the “Effective Date”~~ under the MMP Plan.

8 **C. Overview of the Plan.**

9 A copy of the MMP Plan accompanies this MMP Disclosure Statement. The summary
10 of the material provisions of the MMP Plan herein is intended only to provide a general
11 description of the MMP Plan and is qualified in its entirety by the specific provisions of the
12 MMP Plan, including the MMP Plan’s definitions of certain terms used below. For more
13 specific information concerning the MMP Plan, refer to the MMP Plan.

14 *Mr. Moore believes that this MMP Plan offers the best opportunity to yield recoveries*
15 *that will far exceed recoveries expected under plans previously developed by the debtor-in-*
16 *possession and by the Committee, under any consensual joint plan that the debtor-in-*
17 *possession and the Committee might yet submit, or in a Chapter 7 case.*

18 *Accordingly, Mr. Moore urges all Creditors to vote for the MMP Plan.*

19 **D. Confirmation Hearing.**

20 The Bankruptcy Court will conduct a hearing to consider confirmation of the Plan.
21 Creditors and parties of interest will receive a notice accompanying this MMP Disclosure
22 Statement identifying the date, time and place of the Confirmation Hearing, and identifying the
23 requirements for filing and serving objections, if any, to confirmation of the Plan.

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27 ² [Mr. Moore believes that the Joint Plan is not confirmable in its present configuration. His](#)
28 [objection to the Joint Plan and Joint Disclosure Statement will be submitted separately on or](#)
[about October 1, 2014, and will be available on file with the Bankruptcy Court.](#)

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1 The Confirmation Hearing may be adjourned from time to time without further notice
2 except for the announcement of the adjournment date made at the Confirmation Hearing or any
3 subsequently adjourned Confirmation Hearing.

4 **ARTICLE IV.**

5 **HISTORY AND PRESENT POSTURE OF THE BANKRUPTCY CASE.**

6 **A. History and Description of the Business.**

7 **1. The Debtor's History.**

8 Debtor TPL has aggregated several intellectual property portfolios, including the MMP
9 Portfolio, the Fast Logic portfolio (relating to high-speed logic circuits), and the CORE Flash
10 portfolio (flash-media cards). TPL "commercializes" those aggregated patent portfolios through
11 litigation and licensing; most recently, with a [strategy that Mr. Moore believes is best described](#)
12 [as "litigation-first" strategy whose;](#) the failings [of that strategy](#) are discussed below. TPL also
13 claims to be engaged in developing products based upon other patent portfolios, although no
14 such products produce revenue for the company.

15 In corporate form, Debtor TPL is a California limited liability company; its sole
16 member and manager is Daniel E. Leckrone ("Mr. Leckrone" or "Leckrone"). In 2005, Debtor
17 TPL began concentrating its licensing and litigation support effort in a wholly owned
18 subsidiary, Alliacense Limited Inc. In or about March 2008, Mr. Leckrone spun off Alliacense
19 Limited Inc. from TPL, and formed Alliacense LLC ("Alliacense"), an independent, stand-
20 alone company that he alone owns and controls.

21 TPL received nothing – no compensation – for the loss of its commercialization
22 business to Alliacense and Mr. Leckrone.

23 Until June 2013 (two months into the present bankruptcy case), Alliacense was both
24 owned and managed by Mr. Leckrone. Since then, Mr. Leckrone's son Daniel M. Leckrone
25 ("Mac Leckrone") has served as Alliacense's President. Mr. Leckrone remains Alliacense's
26 owner and sole shareholder.

27 Debtor TPL's business depends on maximizing the value of the patent portfolios it owns
28

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1 or controls. Beginning in 2008 ~~(a time when it appears that TPL was not paying its creditors),~~
2 TPL assigned ~~itssuch of the~~ non-MMP patent portfolios that it acquired³ to entities formed and
3 controlled by Mr. Leckrone (the “Leckrone Entities”); in exchange~~-,~~ TPL retained the
4 exclusive right to commercialize the portfolios. Under this arrangement, typically, TPL was
5 granted an exclusive license to commercialize a portfolio of patents in exchange for payment of
6 a percentage of the revenue (65% of gross proceeds not to exceed 80% of net) to the Leckrone
7 Entity. (The Debtor TPL has represented that no payments have been made to any Leckrone
8 Entity under this arrangement).

9 Filings by the Debtor inform that TPL was founded in 1988, initially as a corporation;
10 its purpose was to develop, license, and manage proprietary technology for the benefit of the
11 technologies' owners. TPL refers to this process as "commercialization". The initial technology
12 that TPL sought to commercialize is the “Moore Microprocessor Portfolio” (the “MMP
13 Portfolio”), named after the inventor, Mr. Moore. The Debtor states, and Mr. Moore agrees,
14 that MMP Portfolio technology is widely recognized as a fundamental building block of all
15 microprocessor-based products.

16 According to the Debtor’s previously filed Disclosure Statement, TPL identifies
17 companies whose products infringe the patents and works to license the MMP technology to
18 them. However, as Debtor has also disclosed, TPL has outsourced all of its licensing and
19 litigation-related activities to Alliacense, explaining that “TPL contracts with Alliacense ... as
20 its vendor to provide TPL with much of the needed technical expertise and marketing services.”
21 Historically, according to the Debtor, prior to 2007 Alliacense was part of the “TPL Group.” a
22 “marketing denomination” for Debtor TPL and its related entities. Indeed, to and into 2012, the
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26 ³ Apparently, some patent portfolios were acquired directly by Leckrone-
27 affiliated entities, with their licensing rights assigned to TPL for commercialization. Mr. Moore
28 believes that in such transactions, it was TPL that paid for the patents, even though it was the
Leckrone entity that took title to them.

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1 Alliacense website denominated Alliacense as “A TPL Enterprise.”

2 As noted, Alliacense is in fact no longer “a TPL enterprise;” ~~as of December 2008~~
3 ~~at~~ some point prior to 2012, Mr. Leckrone spun off Alliacense from TPL ownership and made it
4 his own company.

5 TPL also generates revenues through prosecution and settlements of litigation against
6 infringing companies that refuse to license patented technology. According to the Debtor, this
7 aspect of the business became necessary beginning in approximately 2011, because of changes
8 in management styles in the industry and new legislation. The Debtor has represented that TPL
9 is currently litigating extensive claims involving the MMP Portfolio, the Core Flash Portfolio,
10 and the Fast Logic Portfolio, against over 30 major corporations. Petitions and complaints have
11 been filed in the US International Trade Commission (“ITC”), the United States District Court
12 for the Eastern District of Texas, the District of Delaware, and the Northern District of
13 California.

14 2. Recent Past

15 When TPL filed for bankruptcy protection in March, 2013, Debtor TPL assured court
16 and creditors that TPL would have a 100% Chapter 11 plan in place within 90 days. It is now
17 18 months later.

18 As of August 20, 2014, there have been 515 separate items posted to the bankruptcy
19 case docket. Forty-seven items are motions to continue hearings or extend the time to submit
20 documents.⁴ In May 2014, Mr. Leckrone and the entire staff of TPL resigned from the
21 company, ~~and are now employed by a, whatever~~ new ~~Leckrone Entity known as Fountainhead~~
22 ~~LLC opportunity he is pursuing is unknown to Mr. Moore.~~⁵ In addition, Mr. Leckrone has
23 resigned his seat on the PDS Operating Committee, which has now been filled by secured
24

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26
27 ⁴ See Electronic Case Finder Docket History, case 13-51589 Technology Properties Limited
28 LLC. -<https://ecf.canb.uscourts.gov/>.

⁵ See TPL Monthly Operating Report, Attachment RE Summary Item 11, page 12, May, 2014,
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1 creditor Venkidu. The Captain and his crew have abandoned the ship, leaving it to the creditor
2 passengers to somehow navigate the company to safety, or to sink alone.

3 ***The Status Quo: An Absence of Licensing Revenues.*** The MMP Portfolio of patents is
4 TPL's most valuable asset. At present, this asset ~~provides~~is providing no revenue or benefit to
5 TPL: the last MMP license issued by PDS (resulting in revenue to TPL and its co-party
6 licensor/beneficiaries) of which Mr. Moore has detailed information was sold a full year ago, in
7 August 2013. As noted above, the only license issued since then is to an amusement park
8 operator, for no discernible return to TPL. The present MMP Portfolio licensing entity – Mr.
9 Leckrone's wholly owned company Alliacense – is unable or unwilling (or both) to license the
10 MMP Portfolio.

11 Since before the Petition Date and to and through the present time, Mr. Leckrone and
12 Alliacense set MMP commercialization on a course dependent upon litigation against claimed
13 infringers. Either deliberately or by default, Mr. Leckrone and Alliacense elected to defer
14 efforts to license the MMP Portfolio until successful litigation results were in hand to provide
15 leverage in licensing negotiation.

16 Patent trolls are often charged with using litigation and the threat of litigation to coerce
17 the sale of patent licenses. The litigation-first strategy chosen by Mr. Leckrone and Alliacense
18 rendered Debtor TPL susceptible to the patent troll label.

19 Alliacense was served by the litigation-first strategy, in that the ~~expert witness~~“litigation
20 support” services it provides in litigation allows it to claim the right to charge for those services
21 (a) without sharing that compensation with Debtor TPL and its creditors (or with Patriot or Mr.
22 Moore) and (b) regardless of the success or failure of the litigation effort. While the litigation-
23 first strategy may have generated substantial, unshared receivables for Mr. Leckrone's
24 Alliacense, it has been disastrous for Debtor TPL and its creditors.

25 ***The litigation result.*** As of the Petition Date, TPL had filed some 12 separate MMP
26 proceedings before the International Trade Commission. Success in all, most or some of those
27 proceedings was projected to lead to Alliacense sale of MMP licenses to infringer/respondents
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1 on advantageous terms. (Given that an ITC-imposed remedy might have included an injunction
2 banning the import of infringing products to the United States, an infringer would find an
3 Alliacense-brokered license a vastly more desirable – though expensive – alternative). TPL,
4 guided and advised, by Mr. Leckrone and Alliacense, made no substantial effort to settle the
5 ITC proceedings against the main respondent parties, taking ten of the cases to trial.

6 With Mr. Moore – *the MMP inventor still practicing his invention* – ready, willing, able
7 and compensated to testify at trial of the ITC proceedings in Washington, Mr. Leckrone and
8 Alliacense chose to ignore Mr. Moore. Instead, Mr. Leckrone and his Alliacense-based MMP
9 licensing was presented as the face of the MMP portfolio.

10 The result: a finding of non-infringement by the ITC Administrative Law Judge, and a
11 loss (for named parties Debtor TPL, Patriot and Alliacense) of all ten proceedings. The result is
12 published at <http://tinyurl.com/k8cewlv> ↪ (<http://tinyurl.com/k8cewlv>). Debtor TPL and its
13 co-petitioners sought review of the Administrative Law Judge’s decision before the full ITC.
14 After extensive briefing to the ITC, the full Commission issued its decision: again, in all ten
15 cases, no infringement was found, and the claims of Debtor TPL, Patriot and Alliacense were
16 rejected. The full Commission result affirming Debtor TPL’s loss can be viewed at
17 <http://tinyurl.com/mzdbyre> ↪ (<http://tinyurl.com/mzdbyre>).

18 It gets worse.

19 ***Lack of ITC standing.*** Since the Petition Date, Mr. Leckrone and Alliacense also
20 continued a litigation-first strategy with respect to TPL patent portfolios other than MMP. On
21 May 2, 2012, based on a complaint filed by TPL, the ITC instituted an investigation of 21
22 respondents accused on infringement of another of TPL’s aggregation of patents, the so-called
23 CORE Flash patent portfolio. *In the Matter of Certain Computers and Computer Peripheral*
24 *Devices, Etc.*, ITC Investigation No. 337-TA-841. The Administrative Law Judge (“ALJ”)
25 assigned to the case issued a *Markman* order construing the patents at issue, and held an
26 evidentiary hearing from January 7 – 11, 2013. On August 2, 2013, the ALJ issued an Initial
27 Determination in the matter.

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1 The ALJ first found that TPL demonstrated the existence of a domestic industry
2 ~~(required by 19 U.S.C. Sec. 1337(a)(2), through the TPL/Alliacense licensing investment~~
3 ~~under Sec. 1337(a)(3)(C)-)].~~ Further, the ALJ overruled respondents' claims that TPL's CORE
4 Flash patents were invalid. Although TPL had initially urged infringement of five other CORE
5 Flash patents, the ALJ determined that TPL had demonstrated direct infringement, by four of
6 the respondents, of only one patent, the so-called '623 patent.

7 Both sides sought review before the full Commission, and on August 24, 2013 the ITC
8 issued a notice that it would review the ALJ's Initial Determination in its entirety. The full
9 Commission's decision issued on December 20, 2013. See <http://tinyurl.com/neolnzf>
10 ~~(<http://tinyurl.com/neolnzf>).~~

11 The Commission's decision reversed the ALJ's ruling in favor of Debtor TPL on the
12 '623 patent: "...the Commission has determined to terminate the investigation with a finding of
13 no violation of section 337." Commission Decision at p. 3. For the '623 patent, the
14 Commission adopted respondents' construction of "accessible in parallel," thereby "reversing
15 the Initial Determination's finding of infringement as to that patent." *Ibid.*

16 The Commission, however, did not stop at simply reversing the ALJ finding of
17 infringement of the '623 patent: "...the Commission also finds that TPL has not demonstrated
18 the existence of an article protected by the '623 patent." *Ibid.* Moreover, the Commission not
19 only affirmed the Initial Determination that TPL had failed to demonstrate infringement of the
20 other three CORE Flash patents still at issue in the matter; "The Commission also finds for
21 these three patents that TPL failed to demonstrate the existence of a domestic industry because
22 it failed to demonstrate the existence of articles practicing these patents." *Ibid.* The
23 Commission found authority for its position – that licensing activity alone is not enough to
24 confer Section 337 standing – in two Federal Circuit decisions, *InterDigital Communications,*
25 *LLC, v. ITC* (Fed.Cir. 2012), 690 F.3d 1318; (Fed.Cir. 2013), 707 F.3d 1295; and *Microsoft*
26 *Corp. v. ITC* (Fed.Cir. 2013), 731 F.3d 1354.

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1 Before the ITC, therefore, the handwriting is clearly on the wall for patent aggregators
2 and patent trolls – non-practicing entities whose sole activities relating to their patent portfolios
3 involve attempts to license and litigation against infringers. Debtor TPL itself has established
4 the International Trade Commission precedent by filing and failing on its CORE Flash case:
5 entities that fit the present TPL/Alliacense business model will lack standing to protect their
6 patents before the ITC.

7 ***The ITC's formal decision in the MMP case.*** Debtor TPL's loss in its CORE Flash
8 ITC case came in December 2013. In March 2014 the ITC issued its 88-page formal opinion in
9 the TPL/Patriot/Alliacense MMP Case, *In re: Certain Wireless Consumer Electronics Devices*
10 *and Components thereof*, Inv. No. 337-TA-853. The decision ITC opinion affirms the ALJ's
11 Initial Determination that TPL/Alliacense had failed to prove infringement of the MMP
12 Portfolio patents at issue in the case. At the very end of the ITC formal opinion, however, the
13 opinion addresses the question of TPL standing – do TPL/Alliacense licensing activities meet
14 the so-called “technical prong” of the section 337(a)(3)(C) test?

15 The ITC chose not to reach the question it had raised. However, a clearer warning to
16 TPL and those who fail to practice their patents could hardly be imagined:

17 "After issuance of the ID in this case, the Commission noted that, under its prior
18 precedent, a complainant was not historically required 'to demonstrate for
19 purposes of a licensing-based domestic industry the existence of protected
20 articles practicing the asserted patents.' Comm'n Op. at 27-28. However, the
21 Commission decided in *Computer Peripheral Devices* that a complainant must
22 show that there are 'articles protected by the patent' when asserting a licensed-
23 based domestic industry under section 337(a)(3)(C). Due to the posture of this
24 case, the Commission takes no position on whether the requirement is met here
25 in light of its findings of non-infringement. *See Beloit Corp. v. Valmet Oy, TVW,*
26 *742 F.2d 1421 (Fed. Cir. 1984)."*
27 Commission Decision at p. 72.

28 In sum: unless the MMP Portfolio is represented by and through a practicing entity, its
litigation prospects will be dismal; its licensing revenues, de minimis. MMP licensing and
litigation require a new approach by TPL.

[Other TPL litigation/the “FastLogic” case. TPL is also a party to other pending MMP](#)
[litigation in various federal courts. Results in those cases have not been realized, and the MMP](#)

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1 Plan makes no assumption or provision for recoveries that might be realized in those cases. The
2 MMP Plan assumes and anticipates that the Chapter 11 Trustee will assume supervision and
3 responsibility for such pending MMP litigation.

4 TPL is also a party to non-MMP litigation involving other patent portfolios as to which
5 it retains licensing rights (actual ownership of those patent portfolios has in the main been
6 transferred without consideration to Mr. Leckrone or to a Leckrone entity owned by him).
7 Again, results in those cases have not been realized; the MMP Plan makes no assumption or
8 provision for recoveries that might be realized in those cases. One such case, however, requires
9 mention and discussion.

10 TPL is one of two parties plaintiff in litigation pending before the United States District
11 Court for the District of Delaware. The case is captioned “HSM Portfolio, LLC, and
12 Technology Properties Limited, LLC, v. Fujitsu Limited, et al.,” Civil Action No. 11-770-RGA
13 (D.Del.). Mr. Moore understands that HSM Portfolio, LLC (“HSM”) is a Leckrone Entity
14 corporation, owned by Mr. Leckrone, and that HSM, not TPL, is the owner of record of the so-
15 called “Fast Logic” portfolio of patents. Debtor TPL’s role in the litigation, its stake in the
16 outcome, and the costs and risks that it bears, are all unknown to Mr. Moore.

17 Fujitsu Limited is one of six major electronic-firm defendants accused of infringing one
18 or more of the Fast Logic patents. Two other defendants are STMicroelectronics, N.V. and
19 Sandisk Corporation. STMicroelectronics, joined by Sandisk, has filed papers in the
20 Bankruptcy Court requesting and requiring that Mr. Moore disclose “adequate information”
21 about this “Delaware Fast Logic Litigation.”

22 In its objection to the adequacy of information provided by Mr. Moore in this disclosure
23 statement, STMelectronics contends as follows:

24 3. In the Delaware Fast Logic Litigation, the Debtor continues to assert
25 infringement claims against defendants, Micron Technology Inc., Sandisk
26 Corporation, STMicroelectronics, Inc., STMicroelectronics N.V., Toshiba
27 Corporation, Toshiba America Inc., and Toshiba America Electronic Components
28 Inc. (Case No. 11-cv-770, pending in the U.S.D.C., District of Delaware (the
“Delaware Court”) alleging patent infringement of select patents in Debtor’s Fast
Logic Portfolio, which is comprised entirely of now-expired patents. The Debtor
continues to claim that STMicro infringed U.S. Patent 5,030,853 (the “853 Patent”).

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1 The defendants have vigorously defended the patent infringement claims, and
2 certain defendants also filed counterclaims for non- infringement and invalidity of
3 all asserted patents.

4 4. On June 17, 2014, the Delaware Court issued its “Markman” ruling
5 which considered and expressly rejected the Debtor’s proposed construction of
6 multiple critical claim terms, including the “predetermined factor” term, which is
7 contained within every asserted claim of the 853 patent, attached as Exh. A. The
8 Delaware Court ruled that “predetermined factor” must be defined by “Equation 37,
9 and only that equation.” (Exh. A, Markman Op. at 5). Further, the Court ruled that
10 “while the patent discusses the design process, the claims are drawn to the finished
11 product.” Id. The Court commented that because Equation 37 includes variables
12 such as “desired rise time” that are not discernible from finished products, “proving
13 infringement using Equation 37 thus appears to present difficult issues.” Id.

14 5. Notably, after the Markman ruling, STMicro provided notice to the
15 Debtor and counsel for Mr. Moore that they will *seek to have their legal fees borne*
16 *by the Debtor in accordance with 35 U.S.C. §285* if the Debtor persists in its
17 pursuit of the Delaware Fast Logic Litigation. Pursuant to 35 U.S.C. §285, a
18 prevailing party in patent litigation may recover its reasonable legal fees from the
19 opposing party in “exceptional cases” such as the present case where a plaintiff
20 persists in pursuing infringement litigation where no reasonable litigant could
21 realistically expect success in its infringement case in light of the Markman ruling.

22 6. While there has been no final decision in the Delaware Fast Logic
23 Litigation and no award of fees yet, in light of the Markman decision in the case,
24 such an award is a distinct possibility and certainly cannot be ruled out as a risk of
25 litigation.

26 7. *The defendants in the Delaware Fast Logic Litigation have*
27 *incurred millions of dollars in legal fees and costs to date, and this amount will*
28 *continue to grow significantly if the Debtor or a trustee acting on its behalf*
proceeds with the Delaware Fast Logic Litigation.

8. Counsel for STMicro has also advised counsel for Mr. Moore and
counsel for the Debtor that *it may seek administrative expense treatment for any*
fees awarded to it as a result of the postpetition damages that the pursuit of the
frivolous Delaware Fast Logic Litigation against STMicro causes, including the
reasonable legal fees that STMicro is forced to incur. Other defendants in this
same litigation are aware of STMicro’s strategy and may make similar claims.
Certainly, in light of the statutory authorization and the results of the Markman
hearing, the fee shifting permitted under 35 U.S.C. §285 is a risk factor that should
be disclosed to all creditors voting on any plan that contemplates the pursuit of
litigation that will result in not only substantial attorneys’ fees for the Debtor’s
estate as plaintiff but also the possibility of an award of substantial legal fees to
separate counsel for multiple defendants.

Objection of STMicroelectronics, Inc., To Disclosure Statement Re: Moore Monetization
Plan of Reorganization Dated August 28, 2014, at 2:9 – 3:23 (*emphasis* supplied).

Mr. Moore has no knowledge or information concerning the probability or likelihood of
any of the adverse events suggested by these Delaware Fast Logic Litigation defendants.

Should attorney’s fees and costs be assessed in the amounts indicated in the above objection,
the payment schedule set out in the MMP Plan may be retarded or otherwise impacted
adversely.

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1 Mr. Moore understands that Mr. Leckrone's company Alliacense provides litigation
2 support for plaintiffs HSM and Debtor TPL in the Delaware Fast Logic Litigation. Payments to
3 Alliacense for litigation support are costs that must be paid regardless of outcome of the case.
4 Mr. Leckrone's company Alliacense, not a party to the case, will not be liable for any costs or
5 attorney's fees assessed against HSM and TPL if, as STMicroelectronics and Sandisk suggest,
6 the defendants prevail and the court assesses prevailing party attorney's fees in favor of the six
7 defendants and against HSM and TPL.

8 The MMP Plan anticipates that the Chapter 11 Trustee will assume supervision and
9 responsibility for Debtor TPL's participation in the Delaware Fast Logic Litigation, including
10 without limitation a determination of whether the continuing costs and risks of loss to Debtor
11 TPL are worth whatever benefit might be realized by Debtor TPL under its presently unknown
12 agreement with HSM concerning division of the proceeds of the case.

13 *A fresh start for TPL.* The MMP Plan eliminates any basis for characterization of TPL,
14 PDS, Mr. Moore or their new licensing agent as patent trolls. The MMP Plan changes Debtor
15 TPL's posture from patent aggregation to patent enhancement.

16 **23. Events Precipitating the Bankruptcy Filing.**

17 The Debtor's previous Disclosure Statement asserted that TPL's slide into bankruptcy
18 arose from "TPL's cash flow and liquidity [having] suffered over the past five years for two
19 primary reasons, the first resulting from a change in the intellectual property business
20 environment, and the second as a result of the failed business strategy of IntellaSys". The
21 bankruptcy filing was precipitated by the immediate threat of the entry of the Browns Judgment
22 of \$10 million, which now constitutes the Browns Claim.

23 **B. Summary of Events During The Bankruptcy Case.**

24 **1. Commencement of the Bankruptcy Case.**

25 On March 20, 2013 (the "Petition Date"), the Debtor filed its Voluntary Petition under
26 Chapter 11 of the Bankruptcy Code. Presently, the Debtor is operating as a debtor in
27 possession pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code. The
28

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1 Debtor's counsel is as follows:

2 Heinz Binder / Robert G. Harris
3 Binder & Malter, LLP
4 2775 Park Avenue
5 Santa Clara, CA 95050

6 **2. Official Unsecured Creditors' Committee.**

7 The Committee was appointed in the Bankruptcy Case on June 17, 2013 and consists of
8 the following members: Chester A. Brown, Jr. and Marcie Brown, Patriot Scientific Corp.,
9 Beresford & Co., the Former Chipscale Shareholders, Farella Braun & Martel, LLP, the Estate
10 of James Kirkendall and Dr. Zlatan Ribic GmbH.

11 The Committee's counsel is as follows:

12 John Walshe Murray
13 Dorsey & Whitney LLP
14 305 Lytton Avenue
15 Palo Alto, CA 95014

16 **3. Appointment of Responsible Person.**

17 The Local Rules require in business cases that an individual be designated by the Court
18 as the natural person to act on behalf of the business in the Bankruptcy Case. Pursuant to an
19 order entered by the Bankruptcy Court on March 25, 2013, Daniel E. Leckrone, the sole
20 member of the Debtor, was appointed the Responsible Person in the Bankruptcy Case.

21 **4. Retention of Professionals.**

22 During the Bankruptcy Case, the Debtor has employed Binder & Malter, LLP, as its
23 general bankruptcy counsel to assist it in its reorganization efforts. In addition, pursuant to the
24 Debtor's motions, the Court appointed the following professionals: Agility IP Law, LLP, the
25 Simon Law Firm, P.S., Bragalone Conroy, PC, Farnan LLP, Ropers Majeski Kohn & Bentley,
26 Adelson, Hess & Kelly APS, and Henneman & Associates, all as its special counsel, and Fulop
27 Business Tax Services, as its accountant.

28 The Committee has employed Dorsey & Whitney LLP as its counsel during the
Bankruptcy Case.

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1 **5. Allowance of Fees of Court-Appointed Professionals.**

2 To date, there ~~have~~has been ~~no applications~~one application filed for the allowance of
3 fees of the Court- appointed professionals. On April 10, 2014, the Bankruptcy Court entered its
4 “Order Re First Application For Interim Compensation And Reimbursement Of Expenses By
5 Attorneys For Official Committee of Unsecured Creditors.” Committee counsel Dorsey &
6 Whitney LLP was thereby allowed \$876,448.50 as an Interim Fee Award (with \$5,312.17 in
7 expenses); the Court deferring consideration of an additional \$292,149.50 requested by the firm.

8 **6. Use of Cash Collateral.**

9 Since the Petition Date, the Debtor has been authorized to use cash collateral.

10 **7. Bankruptcy Administration Matters.**

11 The Debtor has brought and has agreed to various motions for relief from stay to allow
12 it to continue to prosecute and defend certain litigation matters.

13 After a contested hearing, the Debtor and the Committee agreed on a protocol for the
14 Debtor to seek the consent of a subcommittee of the Committee (the “Settlement Committee”)
15 to enter into any settlements with infringers or agreements to license the Patent Portfolios. This
16 protocol is reflected in the Court’s Order on Motion Regarding Settlement Procedures (the
17 “Settlement Protocol Order”) entered on May 7, 2013.

18 **8. Assets.**

19 TPL has listed in its June 2014 operating report a value for its assets of \$2,457,416;
20 however, this total excludes claims, rights, and general intangibles the value of which TPL
21 contends is presently impossible to estimate precisely. Assuming that TPL’s various patent
22 portfolios can be fully commercialized through licensing programs for clients and infringement
23 suits against violators over time, TPL asserts that its assets are worth well in excess of \$100
24 million.⁶ Under the MMP Plan, TPL stands to realize a substantial portion of that claimed asset

25 _____
26
27 ⁶ See [Exhibit 4](#), “Chapter 11 Monthly Operating Report”, Technology Properties Limited LLC, Case
28 number 13-51589, April 2014.
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1 value.

2 **9. Liabilities.**

3 TPL lists in [it'sits](#) June 2014 Operating report secured claims of \$10,728,180, priority
4 unsecured claims of \$9,026,825 and general unsecured claims of \$50,014,917. Total liabilities
5 for TPL are \$72,849,138 as of June, 2014. The MMP Plan provides for full payment of such of
6 those liabilities as are advanced by non-TPL insiders.

7 **10. Non-bankruptcy Events.**

8 [Between the filing of this case on March 20, 2013, and February 14, 2014 \(when the](#)
9 [Committee filed its own proposed plan of reorganization\), the relationship between the](#)
10 [Committee and TPL was contentious. The Committee filed objections to the use of cash](#)
11 [collateral, the first of which was overruled, and ultimately acquiesced in stipulations allowing](#)
12 [such use. The Committee and TPL negotiated a settlement procedures protocol, pursuant to](#)
13 [which the Committee was to participate in the approval of settlements with defendant infringers](#)
14 [in litigation brought by TPL to enforce what remained of its patent rights, but which resulted in](#)
15 [disputes over whether the settlement protocol had been followed. The Committee agreed, for](#)
16 [the most part, with the retention and appointment of professionals by TPL for, among other](#)
17 [things, prosecution of infringement litigation.](#)

18 [The Committee and TPL also agreed to a non-disclosure agreement, pursuant to which](#)
19 [confidential and proprietary information could be disclosed to the Committee for its use in](#)
20 [performing its duties in the Bankruptcy Case, but because of which creditors and other](#)
21 [interested parties outside of the Committee were kept in the dark about its processes and](#)
22 [decisions. That non-disclosure agreement has had the perhaps unintended effect of keeping](#)
23 [creditors such as Creditor Moore, not a member of the Committee, from being apprised of](#)
24 [events concerning this case or reasons for its repeated delay in the months since February 2014.](#)

25 [TPL and the Committee participated in two full days of mediation before the Honorable](#)
26 [Dennis Montali on October 9-10, 2013, an effort that proved to be unsuccessful. The](#)
27 [Committee filed a motion to terminate the exclusive right of TPL to solicit and confirm a plan](#)
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 of reorganization, which was granted by the Bankruptcy Court. The Committee's success in
2 ending exclusivity led to the Committee's preparation and filing of its February 14, 2014 plan
3 and disclosure statement (since abandoned). The Committee also filed, but failed to press, a
4 motion to appoint a chapter 11 trustee. It sought to investigate and prosecute pre-petition claims
5 against the insiders of the Debtor. The Committee agreed to stay its investigation and
6 prosecution of such claims in favor of negotiations with the Debtor on a Joint Plan and Joint
7 Disclosure Statement.

8 After nearly seven months of negotiation – and in clear response to Creditor Moore's
9 August 28, 2014 filing of his own Moore Monetization Plan of Reorganization and this MMP
10 Disclosure Statement – the Debtor and the Committee filed their own Joint Plan. The
11 September 4, 2014 Joint Plan was improperly unaccompanied by a disclosure statement, an
12 omission not remedied until the belated submission of the Joint Disclosure Statement on
13 September 17, 2014. Hearing on the Debtor/Committee Joint Disclosure Statement is presently
14 set for October 14, 2014.

15 Meanwhile, with hearing on the Moore MMP Disclosure Statement set for October 2,
16 2014, Mr. Moore's counsel received a copy of a September 18, 2014 "open letter" to the
17 Officers and Board of Directors of Patriot (Patriot is a TPL creditor with a representative
18 member on the Committee). This open letter is signed for and on behalf of 75 Patriot
19 shareholders, and by its terms it requests submission of a copy of the letter and its
20 accompanying shareholder list "in whatever form may be acceptable" to the Bankruptcy Court.
21 To accommodate that request, and in the interest of full disclosure of the position of all
22 interested parties and persons in this matter, a true and correct copy of this open letter in
23 support of the MMP Plan is attached as Exhibit 1 to this MMP Disclosure Statement and is
24 incorporated by this reference.

25 During the pendency of the Bankruptcy Case, several judicial decisions have been
26 entered. In the Debtor's ongoing litigation before the ITC alleging infringement of claims of the
27 US '336 patent within the MMP portfolio, only three out of over 20 named defendants settled
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 by purchasing licenses under the patent. In September 2013, the ITC issued a decision finding
2 that **none** of the over 20 named defendants had infringed any of the claims. In October 2013, in
3 the litigation on the same issues in the Northern District of California, the District Court ruled
4 in favor of the Debtor against HTC Corporation, but only a tenth of the requested damages
5 were awarded to TPL. (Notably, at trial, in response to arguments that damages should be
6 limited based on settlements entered into with other licensees and one license in particular, Mr.
7 Leckrone had to argue that the particular settlement with that licensee was not a true
8 comparable because the low settlement was accepted not as commensurate with the value of
9 the license conferred but to provide revenue for cash-strapped TPL.)

10 In sum, out of the promise of this potential licensing revenue stream, the Debtor
11 consummated only three licenses and was awarded only a fraction of potential damages. In
12 light of the Debtor's business model as described above – to identify infringing companies, and
13 then compel them to purchase licenses through litigated claims of infringement - these
14 outcomes confirm a failed business strategy of Debtor.

15 While the Debtor claims that the current bankruptcy is impeding settlements, Mr. Moore
16 believes that this is a result indicative of the toxicity associated with the Debtor's management
17 by Mr. Leckrone and his insiders, and the susceptibility of TPL, Alliacense and Mr. Leckrone
18 to identification under the pejorative and damaging label of “patent troll.” Potential licensees
19 are averse to engaging in negotiations with Mr. Leckrone's companies, including TPL and
20 Alliacense, and this aversion is now reinforced by the minimized risk of infringement
21 portended by the devastating losses suffered by TPL in the ITC proceedings it initiated, the
22 minimal success realized from the Northern District of California ruling (losing party HTC
23 declines to address the nominal jury verdict, taking the matter to the Ninth Circuit Court of
24 Appeals), and the adverse testimony elicited from Mr. Leckrone and his son during that trial.

25 TPL stands in need of new management and a new direction.
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 **C. Secured Claims.**

2 **1. CCC**

3 CCC and TPL entered into an agreement in March of 2012 (the "Settlement
4 Agreement") to settle a lawsuit arising from TPL's lease of the property located at 20400
5 Stevens Creek Boulevard in Cupertino California. (*Cupertino City Center Buildings v.*
6 *Technology Properties Limited LLC*, Superior Court of California, County of Santa Clara Case
7 No. 110-CV-186192). Under the Settlement Agreement, TPL promised to pay CCC a total of
8 \$1.3 million in installments at \$50,000 per month over time. This promise was secured by a
9 continuing security interest in TPL's share of the proceeds of the following of certain portfolios.
10 CCC claims to have perfected its security interest by filing a UCC-1 with the California
11 Secretary of State on February 27, 2012.

12 **2. Daniel E. Leckrone**

13 Mr. Leckrone claims to have loaned in excess of \$3.8 million to TPL over the last 3
14 years. The initial loan of \$1 million was allegedly made in 2010. At that time the parties
15 executed a security agreement that covered the current loan and any further loans of Mr.
16 Leckrone to TPL. The security agreement granted a security interest in all of TPL's property,
17 including all intellectual property and inchoate rights.

18 Mr. Leckrone claims to have perfected his security interest with the filing of a UCC-1
19 with the California Secretary of State on April 14, 2010. Mr. Leckrone subsequently
20 subordinated his security interest to that of CCC.

21 **3. Venkidu.**

22 Mr. Venkidu, TPL and other parties entered into a security agreement in April 2006 (the
23 "Venkidu Security Agreement"), which related to a multi-party transaction including TPL and
24 resulted in TPL obtaining certain rights with respect to a group of patents known variously as
25 the "CORE Flash Portfolio" or the MCM Patent Portfolio .

26 Under the Venkidu Security Agreement, Mr. Venkidu was granted a security interest in
27 the CORE Flash Portfolio. Mr. Venkidu recorded UCC-1 financing statements with the
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 California Secretary of State of California and claims thereby to have perfected his security
2 interests in the CORE Flash Portfolio and proceeds therefrom. Financing Statements were
3 recorded in 2006 and, following expiration, again on April 12, 2012. (Because of a lapse in
4 perfection of the Venkidu secured claim during 2012, the Venkidu claim is now behind the
5 Leckrone claim in lien priority.) During the Bankruptcy Case, the Court approved the granting
6 of a security interest in the MMP Portfolio as additional adequate protection of his pre-petition
7 security interest.

8 As of the date of commencement of this case, the debt claimed owing to Mr. Venkidu
9 was approximately \$5.2 million.

10 **3. ~~Daniel E. Leckrone~~**

11 ~~Mr. Leckrone claims to have loaned in excess of \$3.8 million to TPL over the last 3~~
12 ~~years. The initial loan of \$1 million was allegedly made in 2010. At that time the parties~~
13 ~~executed a security agreement that covered the current loan and any further loans of Mr.~~
14 ~~Leckrone to TPL. The security agreement granted a security interest in all of TPL's property,~~
15 ~~including all intellectual property and inchoate rights.~~

16 ~~Mr. Leckrone claims to have perfected his security interest with the filing of a UCC 1~~
17 ~~with the California Secretary of State on April 14, 2010. Mr. Leckrone subsequently~~
18 ~~subordinated his security interest to that of CCC.~~

19 **4. Lien Priority**

20 TPL believes that CCC holds the first priority secured lien position on the collateral
21 securing its lien, owing to Mr. Leckrone's subordination and Mr. Venkidu's break in perfection
22 in 2012. TPL believes that Mr. Leckrone is the second priority lienholder on all assets against
23 which CCC holds a lien and first priority against all other TPL assets-, again because of Mr.
24 Venkidu's break in perfection in 2012. TPL believes that Mr. Venkidu is the third priority
25 lienholder on assets against which he holds a lien.

26 **D. The Debtor's Unsecured Debts.**

27 TPL lists in its June 2014 operating report secured claims totaling \$10,728,180,
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 unsecured priority claims totaling \$9,026,825, and general unsecured claims totaling
2 \$50,014,917.

3 Much of the unsecured debt is held by insiders to TPL, Alliacense or Mr. Leckrone. The
4 MMP Plan allows for these insiders to collect 20% of their Allowed Claims, substantially more
5 than they could ever hope to receive if this case were converted to Chapter 7, and exponentially
6 more than any would receive if the bona fides of their claims were investigated and litigated.

7 **ARTICLE V.**

8 **CLAIMS AND EQUITY INTERESTS AND TREATMENT UNDER THE PLAN.**

9 The Claims against and Interests in the Debtor are designated and classified below for
10 purposes of the MMP Plan. The treatment of Claims described below applies only to Allowed
11 Claims. Distributions to holders of Claims which are not Allowed Claims as of the Effective
12 Date will be withheld in accordance with the MMP Plan's provisions for the treatment of
13 Disputed Claims. Except to the extent that the MMP Plan provides otherwise, a Claim or
14 Interest that is properly includable in more than one Class is classified in a particular Class only
15 to the extent that it qualifies within the description of that Class, and is placed in a different
16 Class to the extent it qualifies within the description of such different Class.

17 **A. Unclassified Claims:** § 1123(a)(1) of the Bankruptcy Code provides that certain
18 claims, including Administrative Claims and post-petition tax claims by governmental units
19 entitled to priority under § 507(a)(2) of the Bankruptcy Code, and pre-petition unsecured
20 Priority Tax Claims entitled to priority under § 507(a)(8) of the Bankruptcy Code are not
21 classified claims under a Chapter 11 Plan. Unclassified Claims are here expected to include
22 Professional Fee Claims of the Committee's Professionals and the Debtor's Professionals.

23 **B. Classified Claims:**

- 24 1. Class 1 (Priority Claims).
25 Class 1 consists of all Priority Claims.
- 26 2. Class 2 (CCC Claim).
27 Class 2 consists of the CCC Claim.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 **3. Class 3 (Venkidu Claim).**

2 Class 3 consists of the Venkidu Claim.

3 ~~4. Class 4 (Leckrone Secured Claim).~~

4 Class ~~4~~3 consists of the “Leckrone Secured Claim,” Mr. Leckrone’s secured claim that is
5 here a Disputed Claim.

6 ~~4. Class 4 (Venkidu Claim).~~

7 Class 4 consists of the Venkidu Claim.

8 **5. Class 5 (Administrative Convenience Claims).**

9 Class 5 consists of all Administrative Convenience Claims.

10 ~~6. Class 6 (Non-Insider General Unsecured Claims, Together With 50% of Each~~
11 ~~of the Non-Insider 13% Claims).~~

12 Class 6 consists of **non-insider** general Unsecured Claims not included or provided for
13 in any other Class, including all Unsecured Claims of vendors and trade Creditors for goods
14 delivered or services provided to the Debtor prior to the Petition Date. Class 6 ~~also consists of~~
15 ~~50% of each of~~includes the ~~Non-Insider 13% Claims~~Browns claim, which is based upon the
16 Browns Judgment.

17 ~~7. Class 7 (50% of Each Of the Non-Insider 13% Employee Claims).~~

18 Class 7 consists of ~~50% of each of all Non-Insider 13%~~Employee Claims.

19 **8. Class 8 (13% Claims).**

20 Class 8 consists of all 13% Claims, excluding the Browns Claim dealt with earlier.

21 ~~9. Class 9 (Non-Insider Rejected Executory Contract Claims).~~

22 Class ~~9~~9 consists of any Non-Insider Claims resulting from Rejected Executory
23 Contracts.

24 ~~910. Class 910.~~

25 Class ~~9A10A~~9A10A consists of ~~(i) all 13% Insider Claims; (ii) all Insider Employee Claims;~~
26 ~~and (iii)~~all Insider Unsecured Claims.

27 Class ~~9B10B~~9B10B consists of any Insider Claims resulting from Rejected Executory
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1 contracts.

2 4011. Class 4011 (Interests).

3 Class 4011 consists of those parties who hold interests in Debtor TPL.

4 **ARTICLE VI.**

5 **TREATMENT OF UNCLASSIFIED CLAIMS**

6 Unclassified Claims shall be treated as follows:

7 **Administrative Claims.**

8 Except to the extent that the holder of a particular Administrative Claim has agreed to a
9 different treatment of such Claim, each holder of an Allowed Administrative Claim shall be
10 paid in cash, in full upon the later of: (a) the Effective Date; (b) if such Claim is initially a
11 Disputed Claim, if and when it becomes an Allowed Administrative Claim; and (c) if such
12 Claim is incurred after the Petition Date in the ordinary course of the Debtor's business, within
13 such time as payment is due pursuant to the terms giving rise to such Claim or as otherwise
14 authorized by the Bankruptcy Court.

15 Any request for allowance of an Administrative Claim, other than Professional Fee
16 Claims (discussed below), must be filed on or before the Administrative Claims Bar Date. If
17 the holder of an Administrative Claim does not file and serve a request for payment of such
18 Claim on or before the Administrative Claims Bar Date, the holder shall be forever barred from
19 asserting such Claim or receiving any payment on account of such Claim. Any objection to the
20 allowance of an Administrative Claim (excluding any Professional Fee Claims) shall be filed
21 no later than the Administrative Claims Objection Deadline. If no objection to the applicable
22 Administrative Claim is filed on or before that date, such Administrative Claim shall be deemed
23 Allowed as of that date. The foregoing is in full and final satisfaction of all Administrative
24 Claims.

25 **Professional Fee Claims.**

26 All final requests for payment of Professional Fee Claims must be filed with the
27 Bankruptcy Court and served on the Chapter 11 Trustee, the Reorganized Company, the United
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1 States Trustee and other parties as designated by the Bankruptcy Court or applicable rules no
2 later than forty (40) days after the Effective Date. After notice and a hearing in accordance
3 with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy
4 Court in the Bankruptcy Case, if any, the Allowed Amounts of such Professional Fee Claims
5 will be determined by the Bankruptcy Court and, once Allowed pursuant to entry of an order by
6 the Bankruptcy Court, will be paid as promptly as practicable by the Reorganized Company.
7 Objections to Professional Fee Claims must be filed and served on the Chapter 11 Trustee, the
8 Reorganized Company, and the requesting party no later than seven (7) days prior to the
9 hearing on the applications for compensation by the Professionals.

10 **Priority Tax Claims.**

11 Except to the extent that the holder of a particular Priority Tax Claim has agreed to a
12 different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall be paid
13 in cash, in full upon the later of: (a) the Effective Date; and (b) if such Claim is initially a
14 Disputed Claim, if and when it becomes an Allowed Priority Tax Claim. The foregoing is in
15 full and final satisfaction of all Priority Tax Claims.

16 **ARTICLE VII.**

17 **TREATMENT OF CLAIMS NOT IMPAIRED UNDER THE MMP PLAN**

18 [Under Bankruptcy Code Section 1124\(1\), a claim is impaired if the plan changes the](#)
19 [claim holder's legal, equitable, and contractual rights. Creditor Moore believes that the](#) holders
20 of Claims in Classes 1, 2, 3, 4 and 54 are not Impaired under the MMP Plan ~~and~~: [such](#)
21 [unimpaired claims](#) shall receive the treatment described below:

22 **A. Class 1 (Priority Claims)**

23 Holders of Allowed Priority Claims shall receive the following treatment under the
24 MMP Plan: Except to the extent that the holder of a particular Allowed Priority Claim has
25 agreed to a less favorable treatment of such Claim, each holder of an Allowed Priority Claim
26 shall be paid in cash from the Claims Trust Account, in full upon the later of: (a) ~~six months~~
27 ~~after~~ the Effective Date; or (b) if such Claim is initially a Disputed Claim, when and if it

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 becomes an Allowed Claim. The foregoing is in full and final satisfaction of all Class 1 Claims.
2 To the extent the holder of an Allowed Priority Claim also holds an Allowed Claim in excess of
3 the amount of its Allowed Priority Claim, such excess shall be treated as an Unsecured Claim
4 in Class 6A or Class 6B, as applicable.

5 **B. Class 2 (CCC Claim)**

6 Pursuant to § 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order,
7 CCC shall retain all valid and perfected liens, security interests and other encumbrances
8 affecting property of the Debtor or the Reorganized Company granted in favor of CCC prior to
9 the Effective Date, including those granted in the Cash Collateral Order, with respect to the
10 CCC Claim to the extent of the Allowed Secured Claim of CCC.

11 CCC shall receive on account of its Class 2 Allowed Secured Claim payment in full
12 with interest at the 5% interest rate set forth in that certain STIPULATION REGARDING USE OF
13 CASH COLLATERAL (CUPERTINO CITY CENTER) attached to the CCC Claim, such interest
14 deemed to accrue from the Petition Date. Payment on account of the Allowed Secured Claim
15 of CCC shall be made from the Claims Trust Account, and shall be given in four equal
16 payments, beginning on the Effective Date.

17 Upon full satisfaction of the Allowed CCC Claim as a Class 2 claim, all liens, security
18 interests and other encumbrances affecting property of TPL or the Reorganized Company
19 granted in favor of CCC shall automatically be extinguished and terminated.

20 The foregoing is in full and final satisfaction of all Class 2 Claims.
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1 C. Class 3 (Venkidu Claim).

2 Because Venkidu had been receiving payments from TPL on a regular basis
3 until the TPL bankruptcy filing and because his agreement predated that of the
4 purported agreement giving rise to the Leckrone Secured Claim, the MMP Plan affords
5 second secured creditor priority to the Venkidu Claim among the secured claims in
6 this Bankruptcy Case. Unless otherwise provided by order of the Bankruptcy Court,
7 pursuant to § 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order,
8 Venkidu shall retain all valid and perfected liens, security interests and other
9 encumbrances affecting property of the Debtor or the Reorganized Company granted
10 in favor of Venkidu prior to the Effective Date, including those granted in the Cash
11 Collateral Order, with respect to the Venkidu Claim to the extent of the Secured
12 Claim of Venkidu is an Allowed Claim.).

13 After payment in full, or reservation for, the Allowed Secured Claims in Class 2,
14 Venkidu, on account of the Venkidu Secured Claim, shall be paid 100% of the Quarterly
15 Payment received by the Claims Trust Account, until the Allowed Secured Venkidu Claim has
16 been paid in full together with 7% simple interest per annum from the Petition Date.

17 Upon satisfaction and/or treatment of the Venkidu Claim pursuant to this Class 3, all
18 liens, security interests and other encumbrances affecting property of Debtor TPL or the
19 Reorganized Company granted in favor of Venkidu shall automatically be extinguished and
20 terminated.

21 The foregoing is in full and final satisfaction of all Class 3 Claims.

22 D. Class 4 (Leckrone Secured Claim).

23 Because Leckrone's purported contract with TPL came into alleged existence after
24 TPL's agreement with Venkidu secured claim gained priority over the Venkidu claim due to a
25 lapse in security perfection by Venkidu during 2012, and because Leckrone has never been
26 paid either interest or principal on account of his purported contract and its secured interest, the
27 Leckrone Secured Claim has been afforded ~~third~~second priority among the TPL secured claims,
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 to be paid or funded (subject to resolution of its Disputed Claim status) behind the ~~claims~~claim
2 in Class 2 ~~and Class 3~~. Unless otherwise provided by order of the Bankruptcy Court, pursuant
3 to § 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, the Leckrone
4 Secured Claim shall be entitled to all valid and perfected liens, security interests and other
5 encumbrances affecting property of the Debtor or the Reorganized Company granted in favor
6 of Leckrone prior to the Effective Date, including those granted in the Cash Collateral Order.

7 The Class 43 Leckrone Secured Claim is deemed a Disputed Claim by the MMP Plan.
8 Within 30 days of the Effective Date, the Chapter 11 Trustee shall file an objection to the
9 Leckrone Secured Claim and shall commence an adversary proceeding to avoid, re-characterize
10 and/or to subordinate such Secured Claim (absent negotiation with Leckrone resulting in his
11 subordination of the alleged Leckrone Secured Claim behind all claims of non-insider
12 Creditors).

13 Absent resolution of the above-referenced adversary proceeding, or settlement through
14 subordination as described above, and following payment in full of the Class 2 ~~and Class 3~~
15 ClaimsClaim, the Chapter 11 Trustee shall make provision for payment of the Leckrone
16 Secured Claim by funding the Leckrone Claim Set Aside in the Disputed Reserve Account,
17 utilizing the Quarterly Payment(s) received after payment in full of the Class 2 ~~and Class 3~~
18 ClaimsClaim for that purpose. The Leckrone Claim Set Aside shall accrue and remain until
19 there is a Final Order determining the amount of the Allowed Leckrone Claim (including
20 interest from the date of filing at the rate of 5% simple interest from the Petition Date);
21 provided, however, that the Bankruptcy Court shall have the power to reduce the amount of the
22 Leckrone Claim Set Aside upon motion by the Chapter 11 Trustee or by any other party in
23 interest. Upon entry of a Final Order (plus time for appeal) determining the amount of the
24 Allowed Leckrone Claim, the Leckrone Claim Set Aside shall be used in whole or in part for
25 payment of the Allowed Leckrone Claim in the appropriate amount, plus interest, and the
26 Leckrone Claim Set Aside shall be terminated. To the extent there are funds remaining in the
27 Leckrone Claim Set Aside after payment of the Allowed Amount of the Leckrone Claim, such
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 excess funds shall be returned to the Claims Trust Account and accounted for as a portion of
2 the next Quarterly Payment received.

3 Upon satisfaction and/or treatment of the Allowed Leckrone Claim pursuant to this
4 Class 3, all liens, security interests and other encumbrances affecting property of Debtor TPL or
5 the Reorganized Company granted in favor of Leckrone shall automatically be extinguished
6 and terminated.

7 The foregoing is in full and final satisfaction of all Class 3 Claims.

8 **D. Class 4 (Venkidu Claim).**

9 Because Venkidu had been receiving payments from TPL on a regular basis until the
10 TPL bankruptcy filing and because he lost lien perfection during 2012, allowing the purported
11 Leckrone Secured Claim to be afforded priority over his secured claim, the MMP Plan affords
12 third secured creditor priority to the Venkidu Claim among the secured claims in this
13 Bankruptcy Case. Unless otherwise provided by order of the Bankruptcy Court, pursuant to §
14 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, Venkidu shall retain
15 all valid and perfected liens, security interests and other encumbrances affecting property of the
16 Debtor or the Reorganized Company granted in favor of Venkidu prior to the Effective Date,
17 including those granted in the Cash Collateral Order, with respect to the Venkidu Claim to the
18 extent of the Secured Claim of Venkidu is an Allowed Claim.

19 After payment in full, or reservation for, the Allowed Secured Claims in Class 2 and
20 Class 3, Venkidu, on account of the Venkidu Secured Claim, shall be paid 100% of the
21 Quarterly Payment received by the Claims Trust Account, until the Allowed Secured Venkidu
22 Claim has been paid in full together with 7% simple interest per annum from the Petition Date.

23 Upon satisfaction and/or treatment of the Venkidu Claim pursuant to this Class 4, all
24 liens, security interests and other encumbrances affecting property of Debtor TPL or the
25 Reorganized Company granted in favor of ~~Leckrone~~ Venkidu shall automatically be
26 extinguished and terminated.

27 The foregoing is in full and final satisfaction of all Class 4 Claims.

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ARTICLE VIII.

**TREATMENT OF CLASSES OF CLAIMS AND INTERESTS
THAT ARE IMPAIRED UNDER THE MMP PLAN**

Holders of Claims in Class 5, Class 6, Class 7, Class 8, Class 10A, and the holder of Interests in Class 11 are Impaired under the MMP Plan and shall receive the treatment under the MMP Plan as described below (the creditors in Class 9 and Class 10B, if any, being nonexistent prior to plan confirmation and unknown at this writing or until plan confirmation, are neither impaired nor entitled to vote on the MMP Plan):

A. Class 5 (Administrative Convenience Claims).

On the Effective Date, each holder of a Class 5 Allowed Administrative Convenience Claim shall receive directly from the Claims Trust Account a single cash payment in the amount of its Allowed Claim, not to exceed \$5,000.00, which payment shall be in full and final satisfaction of each respective Class 5 Claim. If at the time Distributions are made to Class 5, a holder of a Class 5 Claim is a Disputed Claim, payment on the Claim shall be deferred until such time and to the extent such Disputed Claim is Allowed.

The foregoing is in full and final satisfaction of all Class 5 Claims.

ARTICLE VIII.

**TREATMENT OF CLASSES OF CLAIMS AND INTERESTS
THAT ARE IMPAIRED UNDER THE MMP PLAN**

~~Holders of Claims in Class 6, Class 7 and Class 9A, and the holder of Interests in Class 10 are Impaired under the MMP Plan and shall receive the treatment under the MMP Plan as described below (the creditors in Class 8 and Class 9B, if any, being nonexistent prior to plan confirmation and unknown at this writing or until plan confirmation, are neither impaired nor entitled to vote on the MMP Plan):~~

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1 **B. Class 6 (Non-Insider General Unsecured Claims, Together With The First 50%**
2 **of Each of the Non-Insider 13% Claims).**

3 Holders of Class 6 Allowed Claims shall receive payment in full over time as follows:

4 Holders of Allowed 6 Claims shall be deemed Allowed in an amount equal to 100% of their
5 Claims ~~(for the Non-Insider 13% Claims, that amount will be limited to the first 50% of their~~
6 ~~Claims),~~ and will receive quarterly *pro rata* payments of (i) 100% of the Quarterly Payment
7 from the Creditor Claims Trust after Allowed Claims in Class 1, Class 2, Class 3, Class 4 and
8 Class 5 have been paid, or reserved for, in full and (ii) interest on their claims from the Petition
9 Date calculated at five percent *per annum*.

10 The foregoing is in full and final satisfaction of all Class 6 Claims.

11 **C. Class 7 (Remaining 50% of Each of the Non-Insider 13% Employee Claims).**

12 Holders of Class 7 Allowed Claims shall receive payment ~~in full~~ over time as follows:

13 Holders of ~~Allowed~~Class 7 Claims shall be deemed Allowed in an amount equal to ~~the~~
14 ~~remaining 50~~20% of their Claims ~~(after payment,~~ and following the payment in full of, or
15 reservation for, Allowed Claims in Class 1, Class 2, Class 3, Class 4, Class 5 and Class 6, shall
16 receive *pro rata* Distributions of 100% of the Quarterly Payment, up to the full Allowed
17 Amounts, together with interest at three percent *per annum* from the Petition Date, in
18 accordance with the timing and schedule set forth at Section VII-A-4 of the MMP Plan.

19 The foregoing is in full and final satisfaction of ~~the first 50~~all Class 7 Claims.

20 **D. Class 8 (13% Claims).**

21 Holders of Class 8 Allowed Claims shall receive payment in full over time as follows:

22 Holders of Allowed 8 Claims shall be deemed Allowed in an amount equal to 100% of their
23 Claims ~~pursuant to Class 6 treatment),~~ and will receive quarterly *pro rata* payments of (i)
24 100% of the Quarterly Payment from the Creditor Claims Trust after Allowed Claims in Class
25 1, Class 2, Class 3, Class 4, Class 5, Class 6 and Class 6 have been paid, or reserved for, in
26 full and (ii) interest on their claims from the Petition Date calculated at five percent *per annum*.

27 The foregoing is in full and final satisfaction of all Class 7 Claims.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 **D.E. Class 89 – Non-Insider Rejected Executory Contract Claims.**

2 Holders of Class 89 Allowed Claims shall receive payment in full over time as follows:
3 Holders of Allowed 89 Claims, if not disputed, shall be deemed Allowed in full, following the
4 payment in full of, or reservation for, Allowed Claims in Class 1, Class 2, Class 3, Class 4,
5 Class 5, Class 6, Class 7 and Class 78, and shall receive *pro rata* distributions of 100% of the
6 Quarterly Payment, up to the full Allowed Claims amount, without interest, in accordance with
7 the timing and schedule set forth at Section VII-F-4 of the MMP Plan.

8 The foregoing is in full and final satisfaction of all Class 89 Claims.

9 **E.F. D. Class 910.**

10 1. Class 9A10A (Insider Claims)

11 Holders of Class 9A10A Allowed Claims shall receive payment over time as follows:
12 ~~Holders of Class 9A Claims shall be deemed Allowed in an amount equal to 20% of their~~
13 ~~Claims, and following the payment in full of, or reservation for, Allowed Claims in Class 1,~~
14 ~~Class 2, Class 3, Class 4, Class 5, Class 6, Class 7 and Class 8, shall receive *pro rata*~~
15 ~~Distributions of 100% of the Quarterly Payment, up to the full Allowed Amounts, together with~~
16 ~~interest at three percent *per annum* from the Petition Date, in accordance with the timing and~~
17 ~~schedule set forth at Section VII-A-4 of the MMP Plan.~~

18 ~~The foregoing is in full and final satisfaction of all Class 9A Claims.~~

19 ~~2. Class 9B (Insider Rejected Executory Contract Claims)~~

20 ~~Holders of Class 9B Allowed Claims shall receive payment over time as follows:~~
21 ~~Holders of Class 9B10A Claims shall be deemed Allowed in an amount equal to 20% of their~~
22 ~~Claims, and following the payment in full of, or reservation for, Allowed Claims in Class 1,~~
23 ~~Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8 and Class 9A9, shall receive *pro*~~
24 ~~*rata* Distributions of 100% of the Quarterly Payment, up to the full Allowed Amounts, together~~
25 ~~with interest at three percent *per annum* from the Petition Date, in accordance with the timing~~
26 ~~and schedule set forth at Section VII-A-4 of the MMP Plan.~~

27 ~~The foregoing is in full and final satisfaction of all Class 10A Claims.~~

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 2. Class 10B (Insider Rejected Executory Contract Claims)

2 Holders of Class 10B Allowed Claims shall receive payment over time as follows:

3 Holders of Class 10B Claims shall be deemed Allowed in an amount equal to 20% of their
4 Claims, and following the payment in full of, or reservation for, Allowed Claims in Class 1,
5 Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8, Class 9 and Class 10A, shall
6 receive *pro rata* Distributions of 100% of the Quarterly Payment, up to the full Allowed
7 Amounts, together with interest at three percent *per annum* from the Petition Date, in
8 accordance with the timing and schedule set forth at Section VII-A-4 of the MMP Plan.

9 The foregoing is in full and final satisfaction of all Class ~~9B~~10B Claims.

10 **EG. Class 1011 (Interests).**

11 On the Effective Date, all Interests in TPL, and all rights and powers which relate to,
12 arise from and are received and granted therefrom, shall be transferred to the Creditor Trust
13 Trustee. At such time as Allowed Claims in Classes 1, 3, 4, 5, 6, 7, 8, ~~9A9, 10A~~ and ~~9B~~10B are
14 paid in full, the Chapter 11 Trustee shall transfer all Interests back to the Interest Holder.

15 The foregoing is in full and final satisfaction of all Class 10 Interests.

16 **Class Members**

17 The ~~table below lists~~MMP Plan provides a list of all class members, their Class, priority
18 amount, Secured amount and total amount claimed. Note: Some of the claims listed ~~below in~~
19 the MMP Plan may be duplicates, some may be disputed as well and therefore may be
20 eliminated, reduced or reclassified from the list of claims.

21 **List of Claims by Claim Number**

22
23 **Consolidated list of claims sorted by Class:**

24 ⁷

25 _____
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28 ⁷ -Note: Mr. Moore is the holder of Claim 26 against TPL for a total of \$30,195,000. This claim is waived if the
January 23, 2013 Settlement Agreement is not rejected by TPL. Given that the MMP Plan rests in part on acceptance of the
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ARTICLE IX.

IMPAIRMENT OF CLASSES; VOTING OF CLAIMS

Class 1, Class 2, Class 3, ~~Class 4~~ and Class ~~54~~ are unimpaired by the MMP Plan and are deemed to accept the MMP Plan. ~~Class 5~~, Class 6, Class 7, Class ~~9A8~~, ~~Class 10A~~ and Class ~~1011~~ are Impaired by the Plan and are entitled to vote on the Plan. Since Class ~~89~~ and Class ~~9B10B~~ are nonexistent and unknown at this time, they are deemed to accept the MMP Plan.

Each holder of an Allowed Claim in an Impaired Class of Claims shall be entitled to vote separately to accept or reject the MMP Plan. For purposes of calculating the number of Allowed Claims in a Class that has voted to accept or reject the Plan under § 1126(c) of the Bankruptcy Code, all Allowed Claims in such Class held by one Person or Entity or its “affiliate” (as defined in the Securities Act of 1933 and the rules and regulations promulgated with respect to such Act) shall be aggregated and treated as one Allowed Claim in such Class; provided, however, that Claims acquired by a Person or Entity from unrelated Entities shall not be aggregated for purposes of voting.

ARTICLE X.

IMPLEMENTATION OF THE PLAN

A. Business Operations and Expenses of the Reorganized Company.

Under supervision and management by the Chapter 11 Trustee, the Reorganized Company will continue segments of TPL’s business operations (licensing and litigation concerning the non-MMP portfolios of patents, following review and evaluation of the non-MMP portfolios as to their viability and profitability), while taking TPL’s MMP Portfolio licensing and litigation operations in a new and productive direction.

At the outset, the Chapter 11 Trustee will review the Reorganized Company’s operations with a view to reducing its overhead. Only two TPL employees are contemplated,

~~January 23, 2013 Settlement Agreement, the MMP Plan assumes waiver by Mr. Moore and makes no allowance for payment of his Creditor Claim 26.~~

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 the Chapter 11 Trustee (whose salary exclusive of benefits will not exceed \$240,000 per
2 annum) and an Administrative Assistant of the Chapter 11 Trustee's choosing at a salary of not
3 more than \$72,000 per annum, exclusive of benefits. The Chapter 11 Trustee shall in addition
4 hire accountants and counsel, but the total annual budget for TPL shall not exceed \$1,000,000.

5 This reduction in overhead is put in place to permit immediate, maximum and
6 continuing payments to TPL's creditors over the anticipated five-year tenure of the MMP Plan,
7 to the end that at the conclusion of the Plan, with all Classes of creditors paid according to the
8 Plan provisions, TPL can be returned to those holding Class 10 Interests. At that point, Plan
9 budgeting will cease, and management by TPL's owner can again be put in place.

10 The Chapter 11 Trustee shall cause the Reorganized Company to establish the WCR at
11 its designated \$1,000,000 level, with the WCR funded by withholding from revenue the
12 Quarterly Payment up to \$1,000,000 over no fewer than two full calendar quarters after the
13 Effective Date. If at any subsequent time the WCR is reduced to less than \$1,000,000, the
14 Chapter 11 Trustee shall withhold from Quarterly Payment revenues the amount necessary to
15 replenish the WCR to its \$1,000,000 level.

16 **B. New Management**

17 The MMP Plan contemplates and is dependent upon the removal of Mr. Leckrone as
18 TPL's debtor-in-possession, with replacement by a Chapter 11 Trustee, as provided for 11
19 U.S.C. § 1104 and the pertinent Bankruptcy Rules.

20 To secure compliance with § 1104, Creditor Moore will seek a creditor vote on the
21 MMP Plan as promptly as practicable after entry of a Court order removing the debtor-in-
22 possession DRWE; if the MMP Plan is approved, the MMP Plan will come before the
23 Bankruptcy Court for a hearing and ruling on plan confirmation. In confirmation hearing
24 assuming that of the MMP Plan as promptly as practicable after entry of the Bankruptcy Court
25 Order, to permit election directing removal of the debtor-in-possession and appointment of a
26 Chapter 11 Trustee.

27 Within thirty days (30 days) of entry of a Bankruptcy Court Order removing the
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 debtor-in-possession and ordering the appointment of a Chapter 11 Trustee, the United States
2 trustee shall convene a meeting of the creditors for the purpose of electing a Chapter 11 Trustee
3 to manage and supervise Debtor TPL, under the provisions of 11 U.S.C. §§ 1104(b)(1) and 702
4 (a), (b), and (c). Upon election, and no later than the Effective Date, the Chapter 11 Trustee will
5 perform the duties and responsibilities, and possess and be charged with, the rights, powers and
6 liabilities, set out in the Bankruptcy Code and under the Bankruptcy Rules, and specified in this
7 MMP Plan, including but not limited to:

- 8 1. Performing the duties described in 11 U.S.C. § 1106 (excepting the duty to file a
9 reorganization plan imposed by 11 U.S.C. § 1106(a)(5);
- 10 2. Acting as Chairman and CEO of the Reorganized Company until the MMP Plan
11 has concluded and the Bankruptcy Case has terminated;
- 12 3. Prepare the annual TPL strategic business plan and obtaining approval of the
13 same by the TPL Board of Directors;
- 14 4. Managing and supervising the day-to-day operations of TPL;
- 15 5. Reviewing (as to viability and profitability) all non-MMP Portfolio licensing
16 and litigation operations of TPL, disposing of and/or abandoning those non-
17 MMP Portfolio licensing operations that cannot be operated to TPL's benefit,
18 and managing and operating those non-MMP Portfolio licensing and litigation
19 operations that are determined to be productive assets of TPL;
- 20 6. Litigating and resolving, through judgment or settlement, the question of
21 allowance of the Disputed Leckrone Secured Claim;
- 22 ~~7. Reviewing any and all pre-bankruptcy transfers of TPL assets during the four~~
23 ~~years prior to the Petition Date to determine whether any such transfers should~~
24 ~~be challenged as fraudulent conveyances or fraudulent transfers;~~
25 7. Reviewing any and all pre-bankruptcy transfers of TPL assets during the
26 years prior to the Petition Date to determine whether any such transfers should
27 be challenged as fraudulent conveyances or fraudulent transfers, including

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 without limitation evaluating the following:

2 - the 2012 transfer of licensing rights to the MMP portfolio from Debtor TPL to
3 Alliacense, a company owned by Mr. Leckrone, with no compensation or
4 consideration provided to TPL and with Alliacense gaining entitlement to 20%
5 of gross MMP licensing revenues and the right to payment for “litigation
6 support” services in all TPL-funded litigation;

7 - the transfer of the “OnSpec” portfolio patents to a Leckrone entity, with no
8 compensation or consideration provided to TPL, with TPL funding the
9 acquisition of the patents;

10 - Mr. Leckrone’s acquisition of the “Fast Logic” portfolio of patents in a
11 transaction resulting in (1) a TPL guarantee of Leckrone entity payment for the
12 patents, resulting in TPL funds being used to make substantial payments to the
13 seller when the Leckrone entity did not or could not make such payments; (2)
14 TPL-funded Fast Logic litigation in which the Leckrone entity stands to reap
15 millions of dollars from any infringement award without payment of litigation
16 expenses; (3) retention of the Leckrone entity Alliacense for litigation support in
17 that litigation; (4) massive exposure of Debtor TPL in the event of loss in that
18 litigation and a prevailing party attorney’s fee award in favor of the defendants,
19 without any exposure for Alliacense and without risk to the otherwise assetless
20 Leckrone entity;

21 - the acquisition by TPL of the “Chipscale” portfolio of patents, with Debtor
22 TPL liable for payment for the patents (the Chipscale sellers are a creditor in this
23 case), in a transaction in which Mr. Leckrone transferred the Chipscale patents
24 from TPL to himself, with no compensation or consideration provided to TPL,
25 on the same day that TPL acquired those patents;

26 - Mr. Leckrone’s unexplained transfer of \$15 million (\$15,000,000.00) from
27 TPL to his company Alliacense, with no apparent basis for the transfer or benefit
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 [to TPL, contemporaneously with his claimed “loan” of some \\$3.8 million from](#)
2 [his personal funds \(the result being that Mr. Leckrone’s secured claim in this](#)
3 [case apparently derives from a loan of Debtor TPL’s own money to itself\).](#)

- 4 8. Prosecuting, compromising or dismissing the Retainer Claims;
- 5 9. Dismissing the Browns/TPL Appeal (given provision for payment in full of the
- 6 Browns Claim – and in effect satisfaction of the Browns Judgment – under the
- 7 MMP Plan);
- 8 10. Dismissing the TPL/Moore ‘Roe’ Litigation;
- 9 11. Reviewing all other pending TPL litigation, to determine whether any can or
- 10 should be dismissed, compromised or abandoned; [including without limitation](#)
- 11 [the Delaware Fast Logic Litigation pending in the United States District Court](#)
- 12 [for the District of Delaware;](#)
- 13 12. Employing an Administrative Assistant and such other employees, agents,
- 14 officers, accountants and counsel as may reasonably be deemed necessary for
- 15 the successful operation of the Reorganized Company;
- 16 13. Establishing the Claims Trust Account and the Creditor Trust;
- 17 14. Acting as Disbursing Agent to the Bankruptcy;
- 18 15. Assuming the TPL seat on the re-constituted PDS Operating Committee, or
- 19 selecting a suitably qualified person for that position to represent TPL’s interests
- 20 in PDS, and working cooperatively with the Patriot representative on the PDS
- 21 Operating Committee to select a mutually acceptable individual to fill the third
- 22 seat on the PDS Operating Committee;
- 23 16. Acting as a fiduciary of the Reorganized Company, with the power and
- 24 responsibility to approve major company actions, including the settlement of
- 25 Avoidance Actions and Retained Claims, disposing of major assets or altering
- 26 the structure of the Reorganized Company; and
- 27 17. Preparing appropriate Quarterly Reports for the TPL Board of Directors and
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 such other periodic reports as may be required by the Bankruptcy Court.

2 In addition, prior to the Effective Date the Committee shall select two of its members to
3 become members of the Board of Directors of TPL who shall, along with the Chapter 11
4 Trustee acting as Chairman of the Board, make up a three-member board tasked to perform the
5 following:

- 6 1. Approve the annual TPL strategic business plan as proposed by the Chapter 11
7 Trustee as CEO;
- 8 2. Approve the annual TPL budget;
- 9 3. Advise the CEO regarding non-MMP portfolio licensing and litigation matters;
- 10 4. Approve any asset purchases or sales over \$10,000;
- 11 5. Approve any non-MMP litigation settlements;
- 12 6. Approve any vendor contracts or agreements worth more than \$5,000.

13 As of the Effective Date, any remaining employment or service to TPL of Mr. Leckrone
14 (whether as director, officer or employee of TPL) shall terminate, and he shall be relieved of
15 any other position or capacity in which he serves any supervisory, managerial, officer or other
16 decision-making role for TPL, until such time as Allowed Claims in Classes 1, 2, 3, 4, 5, 6, 7
17 and 8 are paid as allowed by the MMP Plan. After payment of all such claims pursuant to Plan,
18 Leckrone may petition the Bankruptcy Court to be reinstated as an officer or employee of TPL.

19 The Chapter 11 Trustee shall confer with and obtain written approval from the Board of
20 Directors prior to pursuing any new business endeavors and prior to selling, transferring or
21 licensing any TPL assets valued at over \$10,000.

22 The Chapter 11 Trustee and the Board of Directors established under the MMP Plan
23 shall remain in place and in control of the Reorganized Company, with all of the rights powers
24 provided to them under the Plan, for a period of five (5) years after the Effective Date (with
25 provision for extension of such period, through Bankruptcy Court Order, in six-month
26 increments until the MMP Plan is concluded with payment in full of the Allowed Claims in
27 Classes 1, 2, 3, 4, 5, 6, 7 and 8).

1 **C. IP Portfolio Management**

2 Except for the MMP Portfolio (discussed below), the Chapter 11 Trustee shall have
3 wide latitude to develop commercialization plans or other programs to maximize the value and
4 return realized for each of the non-MMP Portfolio patent portfolios under TPL management.
5 The Chapter 11 Trustee shall establish each of the non-MMP Portfolios in a separate business
6 “silo,” each walled off from TPL’s other IP properties. The marketing and commercialization
7 plan for the MMP Portfolio is described in detail below. For each of TPL’s other patent
8 portfolios, the Chapter 11 Trustee shall, after due inquiry and investigation, report to the Board
9 of Directors as to the most advantageous course for TPL as to each portfolio; the choices
10 available to the Chapter 11 Trustee and the TPL Board with respect to such non-MMP
11 portfolios may include (without limitation):

- 12 1. Retaining Alliacense as a Commercialization Entity for some or all of the non-
13 MMP portfolios;
- 14 2. Retaining a third party firm or firm to commercialize some or all of such
15 portfolios;
- 16 3. Selling TPL’s portfolio rights to some or all of the portfolios to Mr. Leckrone, to
17 one or more of his affiliated or owned companies, or to a third party or third
18 parties;
- 19 4. Managing one or more of the portfolios directly.

20 The separation of the non-MMP Portfolios into separate and distinct businesses, each
21 able to stand on its own merits, is in keeping with the new overall direction of TPL, away from
22 a structure that allows characterization of the company as a patent aggregator or patent troll,
23 with the negative implications and consequences that those derogatory terms carry for entities
24 that must license patents or litigate against patent infringers.

25 **D. MMP Portfolio Management**

26 *The Status Quo: An Absence of Licensing Revenues.* The MMP Portfolio of patents is
27 TPL’s most valuable asset. At present, this asset provides no revenue or benefit to TPL: the last
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 MMP license issued by PDS (resulting in revenue to TPL and its co-party
2 licensor/beneficiaries) was sold a full year ago, in **August 2013**. The present MMP Portfolio
3 licensing entity – Mr. Leckrone’s wholly owned company Alliacense – is unable or unwilling
4 (or both) to license the MMP Portfolio.

5 The MMP Plan eliminates any basis for characterization of TPL, PDS, Mr. Moore or
6 their new licensing agent as patent trolls. The MMP Plan changes Debtor TPL’s posture from
7 patent aggregation to patent enhancement.

8 Mr. Moore (known in the microprosser industry as Chuck Moore) co-founded FORTH,
9 Inc., in 1973. He developed a Forth-based chip (RTX2000) in the mid 1980s, derivatives of
10 which are still being used widely by NASA. At Computer Cowboys, Mr. Moore designed the
11 Sh-Boom microprocessor and then co-founded iTv, an internet appliance manufacturer. He is
12 the co-inventor of the MMP Patent Portfolio, Debtor TPL’s principal asset. During the 1990s,
13 Mr. Moore used his own CAD software to design several custom VLSI chips, including
14 the F21 processor with a network interface. More recently, he invented colorForth and ported
15 his VLSI design tools to it. Mr. Moore worked with IntellaSys for several years, serving as the
16 firm’s CTO during development of the S40 multi-computer chip. After TPL abandoned all
17 efforts in chip development, Mr. Moore formed Green Arrays, Inc., where he continues
18 development and enhancement of chip technologies that have their roots in his MMP Portfolio.

19 Thus, at all pertinent times, Mr. Moore has been actively engaged in carrying forward
20 applications of the MMP Portfolio (as well as new independent technologies).

21 At or before the Confirmation Date for the MMP Plan, Mr. Moore will form a new
22 entity, “Moore Innovations Group, Inc.” (“MIG”). MIG will be tasked under the MMP Plan
23 with leading the commercialization and licensing effort for the MMP portfolio. [As a guide and](#)
24 [introduction to MIG, Mr. Moore has appended the MIG Business Plan as Exhibit 2 to this](#)
25 [disclosure statement and incorporates the MIG Business Plan by this reference at this point as if](#)
26 [it were set out in full here.](#)

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 At its inception, MIG will be Mr. Moore's wholly owned company. Mr. Moore will
2 serve as MIG's Chairman of the Board, and he will be the public face of the company and of its
3 MMP patent enhancement and licensing effort. MIG's board of directors will initially consist of
4 Mr. Moore (as Chairman) and two additional individuals, one to be named by Mr. Moore and
5 the other to be named from members of the Creditors' Committee willing to serve.

6 Upon the Effective Date, MIG will assume the role of commercializing the MMP
7 Portfolio, for the benefit of Debtor TPL, Patriot and Mr. Moore himself. The revenue sharing
8 formula set out in the January 23, 2013 Settlement Agreement will continue to serve to divide
9 net MMP proceeds appropriately (among TPL, Patriot and Mr. Moore, Mr. Moore receives and
10 will continue to receive the smallest share). MMP licensing revenues will continue to be
11 channeled through PDS; the PDS chairman will continue to approve and sign off on every
12 license, to assure accountability for licensing proceeds under the same system of safeguards put
13 in place when it was necessary to monitor Mr. Leckrone.

14 MIG will be a practicing entity; MMP commercialization will no longer be tainted with
15 affiliation with a patent aggregator. The patent world will still feature patent trolls, but MIG
16 will not be counted among them – any more than Thomas Edison was.

17 Under the MMP Plan, the PDS / TPL amended agreement from August 2012 is being
18 set aside as a preference. The MMP Plan also sets aside as a preference the August 2012 TPL
19 agreement with Alliacense, Patriot and PDS, which established Alliacense as the
20 commercialization entity for the MMP Portfolio. With the 2012 Agreements set aside, and
21 Alliacense no longer authorized to carry out MMP commercialization, all MMP licensing and
22 commercialization rights revert to TPL under the 2005 foundational agreement between and
23 among TPL, Patriot and Mr. Moore, still in effect and remaining in effect as an assumed
24 contract of Debtor TPL, that gave TPL commercialization rights to the MMP Portfolio and
25 established PDS to monitor and supervise TPL's performance and to collect MMP revenues.

26 Under the MMP Plan:
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

- 1 2. Debtor TPL and MIG will execute a new commercialization agreement for the
2 MMP Portfolio (the "TPL/MIG Agreement"), affording all MMP licensing rights
3 and authority to MIG that were previously granted to Alliacense under the rejected
4 2012 Agreements. The TPL/MIG Agreement will mandate that all MMP licensing
5 revenues be paid over to PDS, which shall be expected and required to account for
6 and to apportion those revenues under the assumed January 23, 2013 Settlement
7 Agreement;
- 8 3. Under the TPL/MIG Agreement, MIG shall be entitled to retain a commission of
9 20% of its gross MMP licensing revenues, as well as a 5% commission on net
10 litigation revenues generated for TPL, Patriot and Mr. Moore.
- 11 4. Under the TPL/MIG Agreement, PDS shall retain its rights as sole licensor of the
12 MMP Portfolio; MIG shall be empowered and authorized as the sole entity entitled
13 to negotiate such licenses and present them to PDS for approval.
- 14 5. The Chapter 11 Trustee shall be authorized to negotiate an agreement with PDS
15 under which PDS will provide support for MIG in the form of a quarterly advance
16 of \$250,000 for three years, to be repaid from commissions earned from licensing
17 revenues and litigation recoveries generated by MIG. It is anticipated that this
18 agreement, desirable but not necessary under the MMP Plan, will be attainable,
19 given that the MMP Plan relieves PDS of a continuing obligation to provide a
20 \$500,000 quarterly advance to TPL for licensing (because of the reversion to the
21 original 2005 agreement between PTSC, TPL and Mr. Moore) that has produced no
22 revenue since August 2013.
- 23 6. The Chapter 11 Trustee shall be authorized to negotiate any other contracts
24 necessary to aid in the execution of the MMP Plan.

25 Under the MMP Plan, a manager ("MIG Manager") with licensing experience and the
26 ability to run a low-cost, high-output, patent enhancement/patent licensing organization will be
27 selected by the MIG Board. The MIG manager will be charged with managing the
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 commercialization, licensing and litigation of the MMP portfolio. MIG shall in no event
2 become involved with the licensing of TPL's other patent portfolios.⁸

3 **E. Creditor Trust and the Chapter 11 Trustee.**

4 On or before the Effective Date, the Chapter 11 Trustee shall establish the Creditor
5 Trust for the purpose of holding the Interests of the Interest Holder, holding the Unsecured
6 Claimants' Security Interest for the benefit of holders of Allowed Unsecured Claims, making
7 such disbursements as are necessary to effect the Distributions and investigating and, as
8 appropriate, filing objections to the Creditor Claims. The Chapter 11 Trustee shall thereafter
9 manage the Creditor Trust, acting with the care, skill, prudence and diligence under the
10 circumstances then prevailing that a prudent person acting in a like capacity and familiar with
11 such matters would use in the conduct of an enterprise of a like character and with like aims.

12 As set forth at Section J below, the Chapter 11 Trustee shall act as the Disbursing Agent
13 responsible for disbursing payments to the holders of Allowed Claims pursuant to the terms,
14 classes and priorities of the MMP Plan.

15 As set out above, the Reorganized Company shall pay reasonable compensation to the
16 Chapter 11 Trustee and shall compensate the Board of Directors at a rate that is commensurate
17 with their duties and responsibilities and approved by the Bankruptcy Court.

18 **F. Grant of Security Interest for the Benefit of Holders of Allowed**
19 **Unsecured Claims.**

20 To secure the Reorganized Company's performance of the MMP Plan, on or before the
21 Effective Date, the Chapter 11 Trustee shall cause the Reorganized Company to execute and
22 file a security agreement and all other necessary documents to effect the grant of the Unsecured
23 Claimants Security Interest to the Chapter 11 Trustee. Such security agreement shall provide
24 that in the event of an early termination of the Plan (i.e., conversion to Chapter 7) or a breach of
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28 ⁸ See Appendix 2 to the MMP Plan Disclosure Statement for additional details and forecasts
related to Moore Innovations Group.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 the Plan that is not cured pursuant to the cure procedures set forth below in Section XV of the
2 Plan, the Chapter 11 Trustee shall be afforded the right to sell, foreclose, license, lease,
3 hypothecate and transfer the Reorganized Company's property without need for further Court
4 order, subject to applicable law.

5 The Unsecured Creditors' Security Interest shall be subordinate to all existing, valid,
6 perfected, unavoidable and unsubordinated liens, with CCC, Venkidu and Leckrone shall retain
7 their respective lien rights and priorities to the same extent and in the same order that existed as
8 of the Effective Date, unless otherwise agreed by the affected party(ies) and ordered by the
9 Bankruptcy Court, or otherwise ordered by the Bankruptcy Court, until such time as their
10 Secured Claims are accorded full satisfaction as set out in the MMP Plan.

11 The Chapter 11 Trustee shall be authorized to file a UCC-1 financing statement or other
12 evidence of the Unsecured Creditors' Security Interest as may be reasonably requested by the
13 Committee. Upon the payment in full with interest under the Plan of all Allowed Claims in
14 Class 76 and 8, the Unsecured Creditors' Security Interest shall be deemed discharged, and the
15 Chapter 11 Trustee shall file and/or record such termination statements as may be necessary to
16 establish and to evidence extinguishment of the lien.

17 **G. Creditors' Committee.**

18 On the Effective Date, the Committee shall be dissolved.

19 **H. Distributions To Creditors.**

20 1. Establishment of Claims Trust Account.

21 On or before the Effective Date, the Chapter 11 Trustee shall establish a separate,
22 segregated bank account for the benefit of holders of Allowed Claims, which shall be the
23 Claims Trust Account. The Chapter 11 Trustee shall fund the Claims Trust Account with
24 amounts adequate to make all payments due on the Effective Date.

25 2. Post-Effective Date Funding of Claims Trust Account.

26 On the Effective Date, and thereafter for the duration of the MMP Plan, the Chapter 11
27 Trustee shall require and direct that TPL's share of MMP-portfolio sourced distributions from
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1 PDS shall be deposited directly by PDS into the Claims Trust Account. In addition, no later
2 than three Business Days after the close of each full calendar quarter following the Effective
3 Date, the Chapter 11 Trustee shall cause the Reorganized Company to deposit the portion of the
4 Quarterly Payment for which it is responsible (i.e., the 20% of Gross Revenue and NOP) into
5 the Claims Trust Account; provided, however, that in any quarter in which such deposit of the
6 Quarterly Payment to the Claims Trust Account would, in the Reorganized Company's
7 reasonable opinion, result in a reduction of the WCR, then, following consultation with and
8 receipt of written approval of the TPL Board as to such said reduction, the Quarterly Payment
9 for that quarter shall be reduced accordingly. Such reduction shall not constitute a default
10 under the Plan provided, however, that the Reorganized Company has deposited the aggregate
11 of 20% of Gross Revenue during each calendar quarter. The Disbursing Agent shall distribute
12 from the Claims Trust Account the sums specified in the Plan on the Distribution Dates
13 specified in the Plan.

14 3. Quarterly Distribution Report.

15 No later than five Business Days after the close of each full calendar quarter following
16 the Effective Date, the Chapter 11 Trustee shall cause the Reorganized Company to deliver the
17 Quarterly Distribution Report to the Unsecured Creditors of TPL. If any Unsecured Creditor
18 objects to payment on account of any particular Claim as proposed on the Quarterly
19 Distribution Report, that Unsecured Creditor shall provide written notification of such objection
20 to the Chapter 11 Trustee and to the TPL Board of Directors within three Business Days of
21 receipt of the Quarterly Distribution Report, and no Distributions shall be made on account of
22 such Claim(s) until review and approval by the Board of Directors, or entry of an order by the
23 Bankruptcy Court. Upon approval, Chapter 11 Trustee shall, as Disbursing Agent, pay the
24 agreed on or ordered Distribution amount to the holder(s) of such affected Claim(s) as soon as
25 reasonably practicable.

26 4. Timing of Distributions.

27 Except as otherwise provided in the MMP Plan, the Chapter 11 Trustee shall, as
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1 Disbursing Agent, pay all Class 1 and Class 5 Allowed Claims on the Effective Date. Failure
2 to pay any Allowed Claim in Class 1 or Class 5 as required under the MMP Plan shall
3 constitute a Plan default unless the Disbursing Agent pays the amount due on account of such
4 Allowed Claim as required under the MMP Plan within thirty days of the Effective Date.

5 Except as otherwise provided in the MMP Plan, the Chapter 11 Trustee, as Disbursing
6 Agent, shall make Distributions of the Quarterly Payment from the Claims Trust Account no
7 later than the fifteenth Business Day following the end of each calendar quarter, in the sums
8 specified in the Quarterly Distribution Report.

9 The Reorganized Company shall continue to operate, and the Chapter 11 Trustee as
10 Disbursing Agent shall pay Allowed Claims, in full and with interest as appropriate, according
11 to the terms of the MMP Plan, for a period of five years after the Effective Date, or, after
12 consultation with and obtaining written approval from, the Board of Directors, an additional
13 period of time not to exceed six months; provided, however, that such period may be extended
14 further by entry of an order by the Bankruptcy Court.

15 5. Distribution Addresses; Undeliverable Distributions.

16 Unless a Creditor has provided the Reorganized Company with written notice of a
17 different address, Distributions shall be sent to Creditors at the address set forth in the proofs of
18 Claim filed with the Claims Agent. If any Creditor desires that its Distribution be transmitted
19 to an address other such proof of Claim address, it shall notify the Chapter 11 Trustee of such
20 changed address through certified mail, return receipt requested, to the Chapter 11 Trustee at
21 the Trustee's business address. (If no proof of Claim is filed with respect to a particular Claim,
22 the Distribution shall be mailed to the address set forth in the Schedules filed by the Debtor.) If
23 any Creditor's Distribution is returned as undeliverable, no further Distributions to such
24 Creditor shall be made unless and until the Chapter 11 Trustee is notified of such Creditor's
25 then current address, at which time all required Distributions shall be made to such Creditor.
26 Undeliverable Distributions shall be held by the Disbursing Agent until such Distributions are
27 claimed; provided, however, that all claims for undeliverable Distributions must be made
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1 within ninety (90) days following a Distribution. After such date, all unclaimed Distributions
2 will revert to the Reorganized Company and deposited into the Claims Trust Account, and the
3 Claim of any Creditor or successor to such Creditor with respect to such Distribution shall be
4 discharged and forever barred notwithstanding any federal or state escheat laws to the contrary.

5 6. Withholding Taxes.

6 Pursuant to § 346(h) of the Bankruptcy Code, the Chapter 11 Trustee shall as Disbursing
7 Agent deduct any federal, state or local withholding taxes from any Distributions made with
8 respect to Allowed Claims, as appropriate. The Chapter 11 Trustee shall withhold a
9 Distribution to any Creditor who has not provided information requested and required by the
10 Chapter 11 Trustee as Disbursing Agent for the purpose of fulfilling the obligations imposed by
11 this Plan. The Chapter 11 Trustee shall comply with all reporting obligations imposed on it by
12 any governmental unit with respect to withholding and related taxes.

13 7. Fractional Amounts.

14 Notwithstanding anything contained herein to the contrary, the Reorganized Company
15 shall not be required to make Distributions of fractions of dollars. Whenever any payment of a
16 fraction of a dollar under the Plan would otherwise be called for, the actual payment shall
17 reflect a rounding of such fraction down to the nearest whole dollar.

18 8. De Minimis Distributions.

19 Notwithstanding any other provision of the Plan, Distributions of less than \$50.00 need
20 not be made on account of any Allowed Claim; provided, however, that Distributions that
21 would otherwise be made but for this provision shall carry over to the next Distribution Date
22 until the cumulative amount to which any holder of an Allowed Claim is entitled to is more
23 than \$50.00, at which time the cumulative amount of such Distributions (without interest
24 thereon) will be paid to such holder.

25 9. Time Bar to Cash Payments.

26 Checks issued on account of Allowed Claims shall be null and void if not negotiated
27 within ninety (90) days from the date of issuance thereof. Requests for re-issuance of any
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1 check shall be made directly to the Chapter 11 Trustee by the holder of the Allowed Claim to
2 whom such check was originally issued. Any request for re-issuance in respect of voided check
3 shall be made on or before ninety (90) days after the date of the issuance of such check; the
4 Chapter 11 Trustee shall impose a service fee for any such re-issued check. As of the 91st day
5 after issuance, all Claims with respect to any voided checks shall be discharged and forever
6 barred, and such funds shall revert to the Reorganized Company and deposited into the Claims
7 Trust Account.

8 10. Modification of Payment Terms.

9 At any time after the Effective Date, (a) the Reorganized Company may modify the
10 treatment of any Class of Allowed Claims in a manner that is more favorable than provided by
11 the MMP Plan (e.g., the Reorganized Company may make more frequent payments to a Class
12 or pay or cause to be paid all Classes sooner than contemplated by the Plan), provided that such
13 treatment does not adversely impact the ability of the Reorganized Company to perform its
14 obligations under the MMP Plan; and (b) the Reorganized Company may modify the treatment
15 of any Allowed Claim in any manner adverse to the holder of such Claim with the prior written
16 consent of the holder whose Allowed Claim is being adversely effected; provided, however,
17 that any such modification shall be approved in writing by the Board of Directors.

18 **I. Articles of Organization/Operating Agreement.**

19 After the Effective Date, the Reorganized Company, in consultation with the Board of
20 Directors, may amend and restate TPL's articles and operating agreement as permitted by
21 applicable law without further Bankruptcy Court approval, including, among other things and if
22 required, amending such articles and operating agreement as of the Effective Date to comply
23 with the requirements of § 1123(a)(6) of the Bankruptcy Code which requires the inclusion in
24 the Reorganized Company's charter of a prohibition of the issuance of non-voting securities
25 and requires, among other things, the distribution of voting power equitably among the classes
26 of voting securities.

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1 **J. Authority Of Reorganized Company Acting By and Through Chapter 11**
2 **Trustee.**

3 On and after the Effective Date, the Chapter 11 Trustee shall be appointed Estate
4 representative pursuant to the applicable provisions of the Bankruptcy Code and the
5 Bankruptcy Rules. Except as otherwise provided by the MMP Plan, the Chapter 11 Trustee
6 shall, in consultation with or with the approval of the Board of Directors as set out in the MMP
7 Plan, be responsible for and have authority to: (a) settle, resolve and object to any Claims (b)
8 commence suit on the Retained Claims or refer any Retained Claims to the Bankruptcy Trustee;
9 (c) pay all fees due under 28 U.S.C. § 1930; (d) file any post-confirmation reports required by
10 the MMP Plan or the Bankruptcy Court; (e) retain, employ and utilize such Professionals as
11 may be necessary without further approval of the Bankruptcy Court; (f) sell or dispose of
12 assets; (g) abandon property of the Estate that is determined to be burdensome or of
13 inconsequential value; (h) do all things necessary and appropriate to fulfill the duties and
14 obligations of the Reorganized Company under the MMP Plan and to fully administer the
15 Bankruptcy Estate as required by the MMP Plan, the Order of Confirmation, the Bankruptcy
16 Code and the Bankruptcy Rules; and (i) move for the entry of a Final Decree and prepare and
17 file any pleadings as may be required by the Bankruptcy Court in connection with the Final
18 Decree and the closing of the Bankruptcy Case.

19 In addition, on the Effective Date, the Reorganized Company shall be substituted as
20 successor to the Debtor and its Estate in all actions, contested matters and adversary
21 proceedings pending or thereafter commenced in the Bankruptcy Court with respect to
22 Disputed Claims. The Chapter 11 Trustee shall have no obligation to pursue any affirmative
23 claims on behalf of the Debtor or its Estate and any such claims may be abandoned or waived at
24 the discretion of the Chapter 11 Trustee, with the advice and consent of the Board of Directors.

25 **K. Responsible Person.**

26 Upon the Effective Date, the Chapter 11 Trustee shall serve as the Responsible Person
27 for the Reorganized Company and shall be fully empowered to execute all documents,
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1 agreements and instruments implementing the MMP Plan without further order of the
2 Bankruptcy Court or further action by the member(s) of the Reorganized Company, subject to
3 the terms of the MMP Plan and any other requirements for Board of Directors approval as may
4 be set out in the MMP Plan. Any such document, agreement or instrument executed and
5 delivered by the Chapter 11 Trustee as Responsible Person shall be conclusively deemed duly
6 executed by the Reorganized Company without need for further corporate action or order of the
7 Bankruptcy Court. After the Effective Date, the Chapter 11 Trustee as Responsible Person
8 shall be entitled to act as the Estate representative for purposes of implementing and
9 administering the MMP Plan without need for further corporate action or order of the
10 Bankruptcy Court, subject only to Board of Director review or oversight as set out elsewhere in
11 the MMP Plan.

12 **L. Disbursing Agent.**

13 The Chapter 11 Trustee shall be the Disbursing Agent for all Distributions. Unless
14 otherwise ordered by the Bankruptcy Court, the Disbursing Agent shall serve without a
15 guaranty or fiduciary bond.

16 **M. Tax Returns, Payments and Refunds.**

17 The Chapter 11 Trustee shall file or cause to be filed any and all delinquent and final tax
18 returns and pay any and all taxes owed by the Debtor and the Reorganized Company on a
19 timely basis (other than taxes provided for under the Plan). The right to amend prior tax returns
20 of the Debtor and to pursue and collect all potential tax refunds, to claim losses and to take such
21 other actions to the fullest extent allowed by law to recover value, is reserved to the Chapter 11
22 Trustee.

23 **N. Employee Benefit Plans.**

24 All Benefit Plans in effect as of the Effective Date shall be continued by the
25 Reorganized Company, subject to the rights of the Reorganized Company to modify its
26 employee Benefit Plans from time to time pursuant to applicable nonbankruptcy law. Any
27 obligations of the Debtor to indemnify any Person serving as a fiduciary of any Benefit Plan of
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1 the Debtor, under charter, by- laws, contract or applicable state law is deemed to be an
2 executory contract and assumed as of the Confirmation Date (but subject to the occurrence of
3 the Effective Date) and binding on the Reorganized Company. For the avoidance of doubt,
4 Benefit Plans do not include any Insider Employee Compensation Contracts or any provisions
5 thereunder for incentive compensation or otherwise.

6 **O. Further Orders.**

7 Upon motion by the Chapter 11 Trustee, the Bankruptcy Court may enter such other and
8 further orders as may be necessary or appropriate to facilitate consummation of the Plan.

9 **P. Post-Confirmation Employment of Personnel.**

10 The Chapter 11 Trustee may employ or contract with Persons and other Entities to
11 perform, or advise and assist them in the performance of, Trustee obligations under the MMP
12 Plan. The Chapter 11 Trustee may, but is not required to, continue to employ the Debtor's
13 Professionals for the purposes for which they were employed before the Confirmation Date,
14 and for such additional purposes as the Reorganized Company may request, and may employ
15 such other Professionals as may be necessary to perform its responsibilities under the MMP
16 Plan.

17 **Q. Post-Confirmation Compensation and Reimbursement of Professionals.**

18 Any Professionals employed by the Reorganized Company after the Confirmation Date
19 shall be entitled to payment of their reasonable post-Confirmation Date fees and reimbursement
20 of expenses on a monthly basis, subject to the following:

21 Until the Bankruptcy Case is closed, each party requesting payment of such
22 compensation shall serve a detailed statement of requested fees and expenses on the Chapter 11
23 Trustee and all other Notice Parties.

24 Any Notice Party or other party in interest (including the Chapter 11 Trustee) may
25 object to any portion of the requested fees and expenses. Any objection to the payment of fees
26 or reimbursement of expenses shall be in writing (and sufficiently detailed to allow the party
27 whose compensation is subject to the objection an opportunity to respond, and ultimately to
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1 allow the Bankruptcy Court to rule on such objection) and served on the Chapter 11 Trustee, the
2 Notice Parties and the party whose compensation is subject to the objection. Such an objection
3 must be served within fifteen (15) days after service of the detailed statement.

4 If there is no objection to a party's requested fees and expenses within such fifteen (15)
5 day period, the Chapter 11 Trustee shall cause Reorganized Company promptly to pay the
6 requested amount in full. If an objection to a portion of the fees or expenses requested is timely
7 served, the undisputed portion of such fees and expenses shall be paid.

8 To the extent that an objection is timely served, the Chapter 11 Trustee shall reserve
9 monies in the amount of the disputed fees and expenses pending resolution of said objection.

10 Any objection to a request shall be resolved by either: (a) written agreement between
11 the party requesting such fees and expenses and the objecting party, subject to Chapter 11 Trustee
12 consent and Board of Director approval; or (b) resolution of the disputed amount by the
13 Bankruptcy Court pursuant to Order. Resolution by the Bankruptcy Court shall be requested by
14 motion filed and served on the Notice Parties in accordance with the Bankruptcy Rules and the
15 Local Rules on not less than twenty-one (21) days' notice. Such motion may be filed by either
16 the requesting party or the objecting party. Any opposition to the motion shall be filed and
17 served no later than seven (7) days prior to the hearing.

18 **R. Notice Procedure.**

19 Whenever the Plan requires a Person to provide notice pursuant to the Notice Procedure,
20 such Person seeking the particular relief shall be required to serve a written notice on the Notice
21 Parties, unless a Notice Party has waived written notice in favor of email service, which shall
22 thereafter suffice. Such Person shall be authorized to take the action proposed to be taken in
23 such notice upon the expiration of the period specified in the Plan for such notice unless, before
24 the expiration of the specified notice period, a recipient Notice Party, or a party in interest, has
25 filed an objection to such proposed action with the Bankruptcy Court and scheduled a hearing
26 on such objection within thirty (30) days after the filing of such objection and upon not less
27 than twenty-one (21) days' notice to all Notice Parties. If any such objection is filed, the
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1 Person seeking the particular relief shall not take the proposed action unless the Bankruptcy
2 Court approves such action or the objecting party withdraws the objection. Service by
3 electronic filing pursuant to Local Rule 9013-3 shall be adequate for all notices and other
4 pleadings filed with the Bankruptcy Court.

5 **S. Post-Confirmation Fees, Reports, and Final Decree.**

6 1. U.S. Trustee Fees.

7 Not later than thirty (30) days after the end of each calendar quarter that ends after the
8 Effective Date (including any portion thereof), the Chapter 11 Trustee shall cause the
9 Reorganized Company to pay to the United States Trustee, pursuant to 28 U.S.C. § 1930(a)(6),
10 the quarterly fee for such quarter until the Bankruptcy Case is converted or dismissed, or the
11 Bankruptcy Court enters the Final Decree.

12 2. Post-Confirmation Reports.

13 Not later than thirty (30) days after the end of each calendar quarter which ends after the
14 Effective Date, the Chapter 11 Trustee shall file a quarterly post-Confirmation status report in
15 substantially the form provided by the United States Trustee, serving a copy of said report on
16 the Board of Directors and upon any Notice Party so requesting. Further reports shall be filed
17 thirty (30) days after the end of each calendar quarter thereafter until the entry of the Final
18 Decree, unless otherwise ordered by the Bankruptcy Court.

19 Repeated failure to timely file the required reports may constitute a ground for the
20 bringing of a motion to convert or dismiss the Bankruptcy Case, whichever is in the best
21 interest of the creditors and the Estate, pursuant to § 1112(b) of the Bankruptcy Code.

22 **T. Final Decree.**

23 At such time as all motions, contested matters and adversary proceedings have been
24 finally resolved and the Bankruptcy Case is in a condition to be closed, the Chapter 11 Trustee
25 shall cause the Reorganized Company to file an application for the entry of a Final Decree to
26 close the Bankruptcy Case pursuant to § 350 of the Bankruptcy Code and Rule 3022 of the
27 Bankruptcy Rules. Entry of a Final Decree may be sought by the Chapter 11 Trustee
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1 Reorganized Company notwithstanding that all payments required by the Plan may not have
2 been completed, provided, however, that the Bankruptcy Case is determined by the Bankruptcy
3 Court to be fully administered; provided further, that the Bankruptcy Court retains jurisdiction
4 to hear all matters involving the further administration of the Plan until all holders of Allowed
5 Claims have been paid in full or as otherwise agreed to or provided for under the Plan. The
6 Chapter 11 Trustee shall serve the application for entry of a Final Decree on the Notice Parties.
7 Pursuant to Local Rule, such application shall be considered by the Bankruptcy Court without a
8 hearing unless within fourteen (14) days after the date of service of the notice, a party in
9 interest files and serves a request for hearing.

10 **ARTICLE XI.**

11 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

12 **A. Assumption of Executory Contracts and Unexpired Leases**

13 [Section 365\(a\) of the Bankruptcy Code permits a trustee, subject to Bankruptcy Court](#)
14 [approval, “to assume or reject any executory contract.”](#) Each of the following executory
15 contracts shall be assumed by the Reorganized Company on the Effective Date to the extent
16 each such contract is executory in nature, and Confirmation of the Plan shall effect such
17 assumption: (1) the TPL/Moore/PTSC/PDS agreement dated January 23, 2013, (2) TPL’s
18 Agreements with Thunderbird Technologies, (3) the Marcoux-TPL Settlement Agreement.

19 All executory contracts assumed prior to Confirmation or pursuant to the Plan and not
20 otherwise rejected pursuant to the Plan, shall remain in full force and effect, be unimpaired by
21 the Plan except as specifically modified by the Plan and the Confirmation Order, and be
22 binding on the parties thereto.

23 **B. Defaults.**

24 Unless other treatment is agreed to between the parties to each assumed contract or
25 lease, if there has been a default in an assumed executory contract or unexpired lease other than
26 the kind specified in § 365(b)(2) of the Bankruptcy Code, the Debtor or the Reorganized
27 Company, as applicable, shall, on or before the Effective Date: (a) cure, or provide adequate
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1 assurance that it will promptly cure, any such default; (b) compensate, or provide adequate
2 assurance that it will promptly compensate, the other party to such contract or lease, for any
3 actual pecuniary loss to such party resulting from such default; and (c) provide adequate
4 assurance of future performance under such contract or lease.

5 **C. Rejection of Executory Contracts and Unexpired Leases.**

6 [Pursuant to section 365\(a\) of the Bankruptcy Code, and](#) without admitting the validity
7 of any other executory contracts and unexpired leases, the following executory contracts and
8 unexpired leases of the Debtor are hereby rejected by the Debtor as of the Effective Date, and
9 Confirmation of the Plan shall be deemed to constitute Bankruptcy Court approval of such
10 rejection: (a) TPL's Service Agreement with Semiconductor Insights; (b) the PDS/ Alliace /
11 TPL / PTSC July 2012 Services Agreement relating to the MMP Portfolio; (c) The Insider
12 Employee Compensation Contracts; (d) the 13% Investor Contracts; (e) The Amended PDS /
13 TPL Commercialization Agreement from August, 2012.

14 **D. Rejection Claims**

15 The holder of a Rejection Claim shall file with the Bankruptcy Court, and serve on the
16 Chapter 11 Trustee, a proof of Claim relative to such Rejection Claim on or before the
17 Rejection Claims Bar Date or be forever barred from asserting any such Claim or receiving any
18 payment or other Distribution on account of such Claim. Any Rejection Claim shall be clearly
19 labeled as such to permit appropriate treatment under the MMP Plan by the Chapter 11 Trustee.
20 Insiders' claims shall be classified as Insider Rejection Claims and treated under Class 9A of
21 the MMP Plan; non-insiders' claims shall be classified as Non-Insider Rejection Claims and
22 treated under Class 8 of the MMP Plan.

23 **E. Adding and Removing Executory Contracts and Unexpired Leases**

24 The provisions of this Article VIII may be amended, with appropriate notice to those
25 parties in interest directly affected, at any time prior to the conclusion of the hearing on
26 Confirmation of the Plan, to add or remove executory contracts and unexpired leases to be
27 assumed, assumed and assigned, or rejected pursuant to the Plan; provided, however, that **no**
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1 **such amendments shall in any way impact the Licensee Protected Contracts or Licensee**
2 **Parties' rights or defenses thereunder, which shall be fully preserved in all respects,** as set
3 forth in Article XVI of the Plan.

4 **F. Excluded Contracts**

5 The Chapter 11 Trustee shall retain the right to reject any Excluded Contracts, but not
6 any Licensee Protected Contracts or related commercialization agreements, at any time
7 following the Effective Date. Excluded contracts include, but are not limited to the following:
8 (1) TPL's GE Copier leases, (2) TPL's Service Agreement with TriNet Acquisition Corporation,
9 (3) TPL's Plan Service Agreement with Fidelity Management Trust Company and (4) TPL's
10 2012 Service Agreement with Alliacense.

11 Excluded Contracts which have not previously and expressly been assumed or rejected
12 by TPL by final Order of the Court are deemed under such circumstances to have "passed
13 through" the bankruptcy and will remain in effect without modification, unless subsequently
14 rejected in accordance with this Section.

15 For the avoidance of doubt, the Licensee Protected Contracts are not susceptible to
16 rejection by the Reorganized Company and are deemed to have "ridden through" the
17 bankruptcy without prejudice or adverse effects of any kind in accordance with Article XVI of
18 the Plan. All Licensee Protected Contracts are and shall remain in full force and effect and
19 continue to be valid, binding, and enforceable in accordance with their terms against TPL, the
20 Reorganized Company, and all applicable third-party patent owners and their successors and
21 assigns. Furthermore, there shall be no rejection, including no post-Effective Date rejection, of
22 any commercialization agreement or other agreement relating to any of the Licensee Protected
23 Contracts; all such agreements shall either be expressly assumed by the Debtor or shall ride
24 through the Bankruptcy Case unimpaired. Nothing in the Plan, and no act or omission of TPL
25 (such as rejection of or failure to assume any executory contract) shall change any right, interest,
26 claim, license, or defense under the Licensee Protected Contracts.

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ARTICLE XII.

PROOFS OF CLAIM; OBJECTIONS

A. Time for Filing Proofs of Claim.

The applicable Claims Bar Date for most pre-petition Claims was July 23, 2013 and for governmental units was September 16, 2013.

B. Ownership and Transfers of Claims.

For purposes of any Distribution under the Plan, the Reorganized Company shall not have any obligation to recognize any transfer of Claims occurring thirty (30) days or more after the Effective Date. The Chapter 11 Trustee and the Reorganized Company shall be entitled to recognize and deal for all purposes with only those claimholders of record stated on the claims docket maintained by the Bankruptcy Court, and if none, on the Debtor's Schedules.

ANY PARTY WHO ACQUIRES A CLAIM AGAINST THE REORGANIZED COMPANY THIRTY (30) CALENDAR DAYS OR MORE AFTER THE EFFECTIVE DATE MUST ARRANGE WITH THE TRANSFEROR UPON ACQUISITION OF THE CLAIM, TO RECEIVE DISTRIBUTIONS TO WHICH THE TRANSFEREE MAY BE ENTITLED. NEITHER THE CHAPTER 11 TRUSTEE NOR THE REORGANIZED COMPANY SHALL BE REQUIRED TO TRACK CHANGES IN OWNERSHIP OF CLAIMS THIRTY (30) CALENDAR DAYS OR MORE AFTER THE EFFECTIVE DATE.

C. Amendments to Claims.

Except as provided by the Plan or as otherwise permitted by the Bankruptcy Court, the Bankruptcy Rules or applicable law, proofs of Claim may not be amended later than the applicable Claims Bar Date except for amendments to proofs of Claim to decrease the amount or priority thereof; provided, however, that the foregoing deadline shall not afford a claimant a right to amend a Claim that, pursuant to applicable law, is not subject to amendment.

D. Claim Objections.

An objection to a Claim shall be filed no later than the Claims Objection Deadline. An

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1 objection to an Administrative Claim shall be filed no later than the Administrative Claims
2 Objection Deadline. Except as otherwise provided in this Section, any Notice Party may file an
3 objection to a Claim or Administrative Claim. The Chapter 11 Trustee shall have the
4 responsibility to review all proofs of Claim filed against the Debtor, to file objections as
5 appropriate and to resolve Disputed Claims; provided, however, that the Chapter 11 Trustee is
6 directed and required to accept all Committee Claims as Allowed Claims.

7 **E. Disputed Claims.**

8 Subject to the next sentence, any Cash that would be distributed to the holder of a
9 Disputed Claim if it were an Allowed Claim on any Distribution Date hereunder shall be set
10 aside by the Chapter 11 Trustee and deposited into the Disputed Claims Reserve Account. Not
11 later than fifteen (15) days after a Disputed Claim has been Allowed in whole or in part, the
12 Chapter 11 Trustee shall distribute the Cash deposited into the Disputed Claims Reserve
13 Account on account of the Allowed Amount of such Disputed Claim.

14 **F. Distributions**

15 Notwithstanding any provision of the MMP Plan specifying a date for payments or
16 Distributions of consideration, payments and Distributions with respect to any Claim that on
17 such date is disputed, contingent, unliquidated or unknown as to amount, will not be made until
18 a Final Order with respect to an objection, estimation or valuation of such Claim is entered by
19 the Bankruptcy Court, or an agreement is reached between the parties, approved by the Chapter
20 11 Trustee and ratified by the Board of Directions, whereupon appropriate Distributions shall
21 be made promptly in accordance with the preceding paragraph. Notwithstanding the foregoing,
22 any undisputed portion of a Disputed Claim shall receive a Distribution on the undisputed
23 portion of the Claim at the same time as Allowed Claims in the same Class pursuant to the
24 MMP Plan.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 **ARTICLE XIII.**

2 **RETAINED CLAIMS**

3 **A. Prosecution of Retained Claims**

4 Except as otherwise provided in this Section, the Chapter 11 Trustee shall collect and
5 prosecute all of the Retained Claims. In determining whether and how to collect and prosecute
6 the Retained Claims on behalf of the Reorganized Company, the Chapter 11 Trustee shall first
7 consult with the Board of Directors, and shall not compromise any Retained Claim, file suit to
8 collect any Retained Claim, or make any other major decision with regard thereto without the
9 written consent of the Board of Directors or an order of the Bankruptcy Court.

10 With respect to any Retained Claim against any member of the Committee, the Chapter
11 11 Trustee shall independently collect, investigate and prosecute all such Retained Claims. To
12 the extent that such authority is required, the Chapter 11 Trustee is hereby appointed as
13 representative of the estate pursuant to § 1123 of the Bankruptcy Code with respect to the
14 prosecution and liquidation of any Retained Claim against current or former insiders, officers,
15 directors and employees of the TPL, and any affiliated or related Persons and Entities thereto.
16 The terms of employment of any Professional retained by the Chapter 11 Trustee relative to the
17 Retained Claims shall be subject to the approval of the Board of Directors, or absent such
18 approval, order of the Bankruptcy Court.

19 Approval of the Bankruptcy Court shall not be required for the settlement or other
20 resolution of any Retained Claims; provided, however, that the Chapter 11 Trustee shall
21 comply with the Notice settling or resolving any Retained Claim where the amount at issue
22 exceeds \$10,000.

23 **B. Preservation of Claims and Rights.**

24 As the process of investigating and evaluating the Debtor's transactions and records
25 remains ongoing, such process may result in additional claims against Persons not yet identified
26 herein and may also result in other claims against Persons identified herein in addition to those
27 identified at this point in time.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 The Reorganized Company, by and through the Chapter 11 Trustee, shall retain after
2 Confirmation and after the Effective Date, all powers granted by the Bankruptcy Code and the
3 Bankruptcy Rules for, without limitation, recovery of property, avoidance of liens, and
4 objection to, and/or subordination of, Claims. Confirmation of the Plan effects no settlement,
5 compromise, waiver or release of any Retained Claim, cause of action or claim for relief held
6 by the Committee, the Bankruptcy Estate, the Debtor or the Reorganized Company unless the
7 Plan or Order of Confirmation specifically and unambiguously so provides. The failure of the
8 Plan to refer to any particular Retained Claim is not and will not be construed as a settlement,
9 compromise, waiver, or release of any such Retained Claim. All Retained Claims are hereby
10 preserved and will continue to remain valid after the Effective Date.

11 Except as provided in the MMP Plan or the Order of Confirmation, any and all of
12 claims, Retained Claims, causes of action and rights against any and all third parties, whether
13 such claims, Retained Claims, causes of action or rights arose before, on or after the Petition
14 Date, the Confirmation Date, the Effective Date and/or the date Distributions are made, held by
15 the Chapter 11 Trustee, the Bankruptcy Estate, the Debtor and/or the Reorganized Company,
16 as applicable, are reserved to the fullest extent allowable under applicable law, as such law may
17 be extended or interpreted subsequent to the Effective Date. The entry of the Confirmation
18 Order will not constitute *res judicata* as to any such claims or otherwise bar, estop or inhibit any
19 actions by the Chapter 11 Trustee or the Reorganized Company upon any claims they hold as
20 identified herein or otherwise.

21 Immediately upon confirmation of the MMP Plan, the Chapter 11 Trustee shall dismiss
22 without prejudice (a) the Browns/TPL Appeal; and (b) the TPL/Moore 'Roe' Litigation.
23 Subject to the Chapter 11 Trustee's business judgment, in consultation with the Board of
24 Directors, regarding the pursuit of any particular Retained Claim (which may entail evaluation,
25 among other things, of the cost of pursuing such Retained Claim), the Reorganized Company
26 by and through the Chapter 11 Trustee shall be authorized to pursue all Retained Claims.
27 Without limiting the generality of the scope of the previous paragraphs, the Retained Claims
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 identified at this time include: (a) the Patent Actions which include, without limitation, any and
2 all infringement claims before the ITC and various United States District Courts for the Eastern
3 District of Texas, the District of Delaware and the Northern District of California involving the
4 MMP Portfolio, the CORE Flash Portfolio and the Fast Logic Portfolio; (b) any and all claims
5 and causes of action identified in the Debtor's Schedules and Statement of Financial Affairs;
6 and (e) any and all actions against Venkidu, Onspec, Chipscale, and Indigita, and against all
7 present and past insiders and senior management of TPL, including without limitation, Dwayne
8 Hannah, Mike Davis, Susan Anhalt, Mac Leckrone, Leckrone, Janet Neal, Nick Antonopoulos,
9 Interconnect Portfolio, John Leckrone, Alliacense, Eric Saunders, Michael Montvelishsky,
10 William Martin and any and all entities wholly-owned or partially owned by Leckrone, which
11 actions may include, without limitation, whether asserted directly or under an alter ego theory,
12 actions to subordinate, recharacterize and/or avoid claims, to challenge the validity of liens, to
13 recover preferences and fraudulent conveyances, for breach of fiduciary duty, for usurpation of
14 corporate opportunity, for unfair business practices, for conversion, for misappropriation of
15 funds, for fraud and for misrepresentation.

16 **ARTICLE XIV.**

17 **REQUEST FOR CONFIRMATION**

18 Mr. Moore, as the proponent of the MMP Plan, requests Confirmation of the MMP Plan.
19 In the event any Impaired Class of Claims entitled to vote does not accept the Plan by the
20 requisite statutory majorities provided in § 1126(c) of the Bankruptcy Code, Mr. Moore hereby
21 requests that the Bankruptcy Court confirm the Plan in accordance with the provisions of §
22 1129(b) of the Bankruptcy Code.

23 **ARTICLE XV.**

24 **RETENTION OF JURISDICTION**

25 Notwithstanding the entry of the Confirmation Order and the occurrence of the
26 Effective Date, the Bankruptcy Court shall retain and have all authority and jurisdiction as is
27 allowed under the Bankruptcy Code and other applicable law to enforce the provisions,
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 purposes, and intent of this Plan, including matters or proceedings that relate to:

2 (a) Proceedings initiated before or after the Confirmation Date and the Effective
3 Date regarding the prosecution of the Retained Claims or any other rights, claims, causes of
4 action or claims for relief held by the Chapter 11 Trustee, the Bankruptcy Estate, the Debtor or
5 the Reorganized Company against any Person, including the recovery of property and
6 subordination of Claims;

7 (b) Allowance, disallowance, determination, liquidation, classification,
8 subordination, estimation, or establishment of the priority or secured or unsecured status of any
9 Claim, including the resolution of any request for payment of any Administrative Claim and the
10 resolution of any and all objections to the allowance or priority of Claims;

11 (c) Requests for the payment of Claims entitled to priority under § 507(a) of the
12 Bankruptcy Code, including compensation and reimbursement of expenses for Professionals to
13 the extent Court approval therefore is required under the Plan or the Confirmation Order;

14 (d) The title, rights or interests of the Debtor or the Reorganized Company in any
15 property, including the recovery of all assets and property of the Bankruptcy Estate wherever
16 located;

17 (e) Any right, power, action, or duty of the Chapter 11 Trustee, the Bankruptcy
18 Estate, the [Committee, the IP Owners, the](#) Debtor or the Reorganized Company under the Plan;

19 (f) Any determination or estimation necessary or appropriate under § 505 of the
20 Bankruptcy Code or other determination or estimation relating to tax returns filed or to be filed
21 by the Debtor or the Reorganized Company for periods through the end of the fiscal year in
22 which the Effective Date occurs, including determination of the amount of taxes, net operating
23 losses, tax attributes, tax benefits, tax refunds, and related matters of the Debtor or the
24 Reorganized Company;

25 (g) Any matters related to the assumption, assumption and assignment, or rejection
26 of any executory contract or unexpired lease to which the Debtor or the Reorganized Company
27 is a party and to hear, determine and, if necessary, liquidate, any claims arising from, or cure
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 amounts related to, such assumption or rejection;

2 (h) Resolution of controversies and disputes, including the correction of any mistake,
3 defect, or omission regarding consummation, interpretation or enforcement of the Plan, the
4 Confirmation Order, and any agreements referred to in the Plan or executed in contemplation of
5 or to implement the Plan;

6 (i) Resolution of any motions, adversary proceedings (including Retained Claims),
7 contested or litigated matters, and any other matters, and to grant or deny any applications or
8 motions involving the Chapter 11 Trustee, the Debtor or the Reorganized Company that may be
9 pending on the Effective Date;

10 (j) Entry of such orders as may be necessary or appropriate to implement or
11 consummate the provisions of the Plan and all contracts, instruments, releases, and other
12 agreements or documents created in connection with the Plan or the MMP Disclosure
13 Statement;

14 (k) Modification of or amendments to the Plan before or after the Effective Date
15 under § 1127 of the Bankruptcy Code or modification of the MMP Disclosure Statement or any
16 contract, instrument, release, or other agreement or document created in connection with the
17 MMP Plan or the MMP Disclosure Statement; or remedy any defect or omission or reconcile
18 any inconsistency in any Bankruptcy Court order, the Plan, the MMP Disclosure Statement or
19 any contract, instrument, release, or other agreement or document created in connection with
20 the MMP Plan or the MMP Disclosure Statement in such manner as may be necessary or
21 appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

22 (l) The entry of an order including injunctions, necessary to enforce the title, rights,
23 and powers of the Chapter 11 Trustee, the Bankruptcy Estate, the Debtor or the Reorganized
24 Company and the purposes and intent of the Plan, and to impose such limitations, restrictions,
25 terms and conditions of such title, rights and powers as the Bankruptcy Court may deem
26 necessary;

27 (m) Implementation of the provisions of the MMP Plan and entry of such orders (i)
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 in aid of Confirmation of the Plan or (ii) as are necessary or appropriate if the Order of
2 Confirmation is for any reason modified, stayed, reversed, revoked, or vacated;

3 (n) Determine any other matters that may arise in connection with or relate to the
4 MMP Plan, the MMP Disclosure Statement, the Confirmation Order or any contract, instrument,
5 release, or other agreement or document created in connection with the MMP Plan, the MMP
6 Disclosure Statement or the Confirmation Order except as otherwise provided in the MMP Plan,
7 or as otherwise provided under the Bankruptcy Code or other applicable law;

8 (o) Determine any claim of any Person of any nature whatsoever against the
9 Professionals arising in or related to the Bankruptcy Case; or

10 (p) The entry of a Final Decree closing the Bankruptcy Case, including provisions
11 for injunctive relief as may be equitable, consistent with Bankruptcy Rule 3022 and or retention
12 of jurisdiction for the Bankruptcy Court for purposes of this Article XII.

13 If closed, the Bankruptcy Case may be reopened at any time to facilitate the provisions
14 of this Article XV of the Plan.

15 **ARTICLE XVI.**

16 **EFFECT OF CONFIRMATION**

17 As of the Confirmation Date, the effect of Confirmation shall be as provided in § 1141
18 of the Bankruptcy Code, and as follows:

19 **A. Binding Effect of Plan.**

20 The provisions of the confirmed Plan shall bind the Chapter 11 Trustee, the Debtor, the
21 Reorganized Company, any Entity acquiring property under or otherwise accepting the benefits
22 of the MMP Plan, and every Creditor and Interest Holder, whether or not such Creditor or
23 Interest Holder has filed a proof of Claim or Interest in the Bankruptcy Case, whether or not the
24 Claim or Interest of such Creditor or Interest Holder is Impaired under the MMP Plan, and
25 whether or not such Creditor or Interest Holder has accepted or rejected the MMP Plan.

26 **B. Vesting Of Property.**

27 Subject to the provisions of this MMP Plan and the Order of Confirmation, the property
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 of the Debtor and the Bankruptcy Estate shall vest in the Reorganized Company on the
2 Effective Date. As of the Effective Date, all such property shall be free and clear of any and all
3 liens, encumbrances, Claims and Interests of Creditors and Interest Holders except as otherwise
4 provided in the MMP Plan, including, without limitation, the Unsecured Creditors' Security
5 Interest. Revesting does not modify the nature of any contracts assumed pursuant to the MMP
6 Plan.

7 **C. Discharge.**

8 Except as otherwise provided in the Plan or the Order of Confirmation, the rights
9 afforded under the MMP Plan and the treatment of Claims and Interests under the MMP Plan
10 are in exchange for and in complete satisfaction, discharge, and release of, all Claims, including
11 any interest accrued thereon from and after the Petition Date, against the Debtor, the
12 Reorganized Company, the Bankruptcy Estate, or any assets or property of the Debtor, the
13 Reorganized Company and the Bankruptcy Estate. Except as provided in the Plan or the Order
14 of Confirmation, pursuant to Bankruptcy Code § 1141(d), Confirmation forever discharges the
15 Debtor and the Reorganized Company from any and all Claims and all debts that arose before
16 the Effective Date, and all debts of the kind specified in §§ 502(g), 502(h) or 502(i) of the
17 Bankruptcy Code, whether or not: (a) a proof of Claim based on such debt is filed or deemed
18 filed under § 501 of the Bankruptcy Code; (b) a Claim based on such debt is Allowed under §
19 502 of the Bankruptcy Code; or (c) the holder of a Claim based on such debt has accepted the
20 Plan.

21 **D. Exculpation.**

22 To the extent permitted under applicable law, none of Mr. Moore, the Chapter 11
23 Trustee, the Bankruptcy Estate, the Reorganized Company, the Committee, the members of the
24 Committee (solely in their capacity as such), the Board of Directors, and their respective
25 officers, directors, members, managers, employees, advisors, attorneys, agents, or direct and
26 indirect affiliates will have or will incur any liability to any holder of a Claim or Interest, or any
27 other party in interest, or any of their respective members or former members, agents,

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1 employees, representative, financial advisors, attorneys or affiliates or any of their predecessors,
2 successors, or assigns, for any act or omission in connection with, relating to, or arising out of,
3 the Bankruptcy Case, the negotiation and pursuit of confirmation of the MMP Plan, the
4 confirmation of the MMP Plan, the consummation of the MMP Plan, or the administration of
5 the MMP Plan excluding the obligations of the Chapter 11 Trustee, the Debtor, the Reorganized
6 Company or its Board of Directors under the Plan and any acts or omissions of any Person
7 covered by this Section constituting willful misconduct or gross negligence, and in all respects
8 such Persons shall be entitled to rely on the advice of counsel with respect to their duties and
9 responsibilities under the Plan.

10 **E. Injunction.**

11 **As of the Confirmation Date, all Persons or Entities that have held, currently hold**
12 **or may hold a Claim or other debt or liability that is discharged or any other right that is**
13 **terminated under the Bankruptcy Code or the Plan are permanently enjoined from**
14 **commencing or continuing any action, the employment of process, or other action, to**
15 **collect, recover or offset any such Claim or debt as a liability of the Bankruptcy Estate or**
16 **the Reorganized Company to the fullest extent permitted by Bankruptcy Code § 524.**

17 **F. Preservation of Insurance.**

18 The discharge and release from Claims as provided in the MMP Plan, except as
19 necessary to be consistent with the MMP Plan, do not diminish or impair the enforceability of
20 any insurance policy that may cover Claims against the Chapter 11 Trustee, the Debtor, the
21 Bankruptcy Estate, the Reorganized Company or any other Person.

22 **G. Reservation of Powers.**

23 Subject to the limitations in the Plan, including Article XVI thereof, the Reorganized
24 Company shall retain all powers granted by the Bankruptcy Code, the Bankruptcy Rules and
25 the Local Rules to a trustee or debtor in possession, including those with respect to the recovery
26 of property and objections to, and/or subordination of, Claims and Interests.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 **ARTICLE XVII.**

2 **MISCELLANEOUS**

3 **A. Injunctions and Stays.**

4 Unless otherwise provided, all injunctions or stays arising under or entered during the
5 Bankruptcy Case under § 105 or § 362 of the Bankruptcy Code, or otherwise, and in existence
6 on the Confirmation Date, shall remain in full force and effect until the Effective Date.

7 **B. No Admissions.**

8 Except as specifically provided in the MMP Plan, nothing contained in the MMP Plan
9 shall be deemed or construed in any way as an admission by the Bankruptcy Estate with respect
10 to any matter set forth in the MMP Plan, including the amount or allowability of any Claim, or
11 the value of any property of the Bankruptcy Estate.

12 Notwithstanding anything to the contrary in the MMP Plan, if the MMP Plan is not
13 confirmed or the Effective Date does not occur, the MMP Plan shall be null and void, and
14 nothing contained in the MMP Plan or MMP Disclosure Statement shall: (a) be deemed to be
15 an admission with respect to any matter discussed in the MMP Plan, including liability on any
16 Claim or the propriety of any Claim's classification; (b) constitute a waiver, acknowledgement,
17 or release of any Claim, Interest, or any claims held by the Bankruptcy Estate or the
18 Committee; or (c) prejudice in any manner the rights of the Bankruptcy Estate or the
19 Committee in any further proceedings.

20 **C. Revocation of the Plan.**

21 Mr. Moore reserves the right to revoke or withdraw the MMP Plan before the
22 Confirmation Date.

23 **D. Modification of Plan.**

24 Mr. Moore may propose amendments to or modifications of the MMP Plan under §
25 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the conclusion
26 of the hearing on Confirmation of the MMP Plan-, [but not if such amendments or modifications](#)
27 [adversely affect Licensees or Article XVI of the Plan.](#)

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 In the event that Classes entitled to vote fail to accept the MMP Plan in accordance with
2 Bankruptcy Code § 1129(a)(8), Mr. Moore reserves the right to modify the MMP Plan in
3 accordance with Bankruptcy Code § 1127(a).

4 After the Confirmation Date, the Reorganized Company through the Chapter 11 Trustee
5 may modify the MMP Plan in accordance with § 1127(b) of the Bankruptcy Code and
6 Bankruptcy Rule 3019.

7 **E. Saturday, Sunday and Legal Holiday.**

8 If any payment or act under the MMP Plan should be made or performed on a day that
9 is not a Business Day, then the payment or act may be completed the next succeeding day that
10 is a Business Day, in which event the payment or act will be deemed to have been completed
11 on the required day.

12 **F. Plan Interpretation.**

13 The headings contained in the MMP Plan are for convenience of reference only and
14 shall not limit or otherwise affect in any way the meaning or interpretation of the MMP Plan.
15 All references in the MMP Plan to the singular shall be construed to include references to the
16 plural and vice versa. All references in the MMP Plan to any one of the masculine, feminine or
17 neuter genders shall be deemed to include references to both other such genders. References to
18 the Debtor shall also include the Reorganized Company (or vice versa) as the context requires.
19 All exhibits, if any, attached to the MMP Plan are, by this reference, hereby incorporated into
20 the Plan. All references in the MMP Plan to a Section or an Article shall mean the
21 appropriately numbered Section or Article of the MMP Plan. Whenever the MMP Plan uses
22 the term “including,” such reference shall be deemed to mean “including, but not limited to.”

23 **G. Governing Law.**

24 Except to the extent that the Bankruptcy Code or other federal law is applicable, the
25 rights, duties and obligations of the Chapter 11 Trustee, the Debtor, the Reorganized Company,
26 its Board of Directors, all Creditors and any other Person arising under the MMP Plan shall be
27 governed by, and construed and enforced in accordance with, the laws of the State of California,
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 without giving effect to California's choice of law provisions.

2 **H. Setoff/Recoupment.**

3 The Reorganized Company may, but is not required to, setoff or recoup against any
4 Claim or Interest and the payments or other Distribution to be made under the MMP Plan in
5 respect of such Claim or Interest, claims of any nature whatsoever that arose before the Petition
6 Date that the Debtor may have against the holder of such Claim or Interest to the extent such
7 claims may be setoff or recouped under applicable law, but neither the failure to do so nor the
8 allowance of any Claim or Interest under the MMP Plan shall constitute a waiver or release by
9 the Bankruptcy Estate or the Reorganized Company of any claim that they may have against
10 such Person.

11 **I. Waiver.**

12 After the Confirmation Date, except as otherwise specifically set forth in the MMP Plan,
13 any term of the MMP Plan may be waived in writing only by the party or parties entitled to the
14 benefit of the term to be waived.

15 **J. Notices.**

16 Except for service by electronic filing as permitted by Section VII-P of the MMP Plan,
17 all notices required or permitted to be made in accordance with the MMP Plan shall be in
18 writing and shall be delivered personally or by first class mail, subject to any changes of
19 addresses, notices of which shall be filed with the Bankruptcy Court, the following:

20 If to Creditor Charles H. Moore or the Reorganized Company:

21 []
22 Chapter 11 Trustee
23 Address to be provided

24 If to Charles H. Moore:

25 Charles H. Moore
26 c/o Kenneth H. Prochnow
27 Chiles and Prochnow, LLP
28 2600 El Camino Real #412
Palo Alto, CA 94306

With a copy to:

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1 Kenneth H. Prochnow
2 Chiles & Prochnow, LLP
3 2600 El Camino Real #412
4 Palo Alto, CA 94306;

5 and if to a holder of an Allowed Claim, at the address set forth in its proof of Claim filed
6 in the Bankruptcy Case, or if none, at its address set forth in the Schedules. Notices shall be
7 deemed given when delivered or deposited in the United States mail. Any Person or Entity
8 may change the address at which such Person or Entity is to receive notices under the MMP
9 Plan by filing its change of address with the Bankruptcy Court and serving the Debtor or the
10 Reorganized Company and its counsel at the addresses provided in this Section.

11 **K. Reservation of Rights.**

12 Neither the filing of the MMP Plan nor any statement or provision contained in the
13 MMP Plan or in the MMP Disclosure Statement, nor the taking by any party in interest of any
14 action with respect to the MMP Plan, shall: (a) be or be deemed to be an admission against
15 interest; and (b) until the Effective Date, [except as set forth in Article XIX](#), be or be deemed to
16 be a waiver of any rights any party in interest may have: (i) against any other party in interest;
17 or (ii) in any of the assets of any other party in interest, and, until the Effective Date, all such
18 rights are specifically reserved. In the event that the MMP Plan is not confirmed or fails to
19 become effective, neither the MMP Plan nor the MMP Disclosure Statement nor any statement
20 contained in the MMP Plan or in the MMP Disclosure Statement may be used or relied upon in
21 any manner in any suit, action, proceeding or controversy within or without this Bankruptcy
22 Case involving the Debtor, except with respect to Confirmation of the MMP Plan.

23 **L. Severability**

24 Should any term or provision of the MMP Plan be determined to be unenforceable, such
25 determination shall in no way limit or affect the enforceability and operative effect of any other
26 term or provisions of the MMP Plan.

27 **ARTICLE XVIII.**

28 **DEFAULT PROVISIONS**

If the Reorganized Company shall default in the performance of any of its obligations

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 under the MMP Plan, and shall not have cured such default within a period of 10 days after
2 receipt of written notice of such default from any party in interest affected by the alleged
3 default, then such party in interest may move the Bankruptcy Court, upon notice to the Notice
4 Parties, for an order directing the Reorganized Company to perform such obligations. If the
5 Reorganized Company fails to perform such obligations within 21 days, any party in interest,
6 including, but not limited to, the Office of the United States Trustee, may immediately (i) move
7 to set aside the Confirmation Order; (ii) move for the appointment of a replacement Chapter 11
8 Trustee; (iii) move to convert the case to a case under Chapter 7 of the Bankruptcy Code; or
9 (iv) in the instance of the Chapter 11 Trustee, foreclose on the Unsecured Creditors' Security
10 Interest in all TPL Assets.

11 In the event the Bankruptcy Court enters an order converting the Bankruptcy Case to a
12 case under Chapter 7 of the Bankruptcy Code, the [MMP Plan shall terminate, executory](#)
13 [provisions of the Plan shall terminate, excluding Article XIX, which shall survive,](#)
14 [notwithstanding any default or associated conversion to Chapter 7](#) and all property of the
15 Reorganized Company shall vest in the Chapter 7 estate. Such property shall be administered
16 by the Chapter 7 trustee as prescribed in Chapter 7 of the Bankruptcy Code. Any party in
17 interest may oppose any such motion.

18 ARTICLE XIX.

19 OVERRIDING PROTECTIONS FOR LICENSEE PARTIES

20 A. Scope and Intent of This Article

21 As a settlement of the Licensee Objectors' concerns and objections, this Article is
22 included to effectuate the parties' intent to eliminate any adverse effects or prejudice of the
23 MMP Plan or Confirmation Order [or termination of the Plan or conversion to Chapter 7,](#)
24 [pursuant to Article XVIII or otherwise,](#) on the Licensee Parties' licenses, claims, rights,
25 interests and defenses. This Article ~~XVIII~~^{XIX} shall apply comprehensively to preserve all
26 Licensee Parties' rights, licenses, claims, rights, interests and defenses, as described herein,
27 notwithstanding any other provision of the Plan or the Confirmation Order. To the extent any
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 direct or indirect conflict exists between this Article and any other provision of the [PlanMMP](#)
2 [Plan, including Article XVI or Confirmation Order](#), this Article shall control. That is, this
3 Article shall create an exception to any conflicting provision or consequence of the Plan as if
4 expressly cross-referenced therein.

5 **B. Confirmation Order**

6 The Confirmation Order shall incorporate and reaffirm this Article [XVIXIX](#) in its
7 entirety, together with the definitions used herein.

8 **C. Amendments to Article XVIXIX**

9 This Article (and definitions used herein) shall not be amended, modified, [terminated](#),
10 or otherwise adversely affected, directly or indirectly, from other MMP Plan or Confirmation
11 Order amendments, without the prior written consent of each Licensee Objector.

12 **D. No Adverse Impact On Licensee Protected Contracts**

13 Notwithstanding any other provision of the MMP Plan or Confirmation Order, the
14 Licensee Protected Contracts, and the rights, claims, including offsetting or recoupment claims,
15 interests and defenses of each Licensee Party, shall ride through this Bankruptcy Case without
16 prejudice or adverse effects of any kind, [including on account of § 1141 or any Plan](#)
17 [termination of Chapter 7 conversion under Article XVIII or otherwise](#). All such Licensee
18 Protected Contracts shall remain in full force and effect, and continue to be valid, binding, and
19 enforceable in accordance with their terms, against TPL, the Reorganized Company, and all
20 applicable third-party patent owners and their successors and assigns, [as if there had been no](#)
21 [Bankruptcy Case or Plan or Confirmation Order \(or no Plan termination or Chapter 7](#)
22 [conversion under Article XVIII or otherwise\), and neither TPL's reorganization, nor Chapter 7](#)
23 [conversion, nor exit from bankruptcy, nor termination of Plan shall affect such validity and](#)
24 [enforceability of the Licenses](#).

25 For the avoidance of doubt, nothing in the MMP Plan, MMP Disclosure Statement, or
26 Confirmation Order, and no act or omission of the Chapter 11 Trustee, Debtor or Reorganized
27 Company (such as rejection of or failure to assume any executory contract) changes or impairs
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1 in any way any rights, interests, claims, licenses, or defenses under the Licensee Protected
2 Contracts. Without limiting the generality of the foregoing, nothing in the MMP Plan shall
3 have the effect of stripping or undermining any rights, interests, claims, licenses, or defenses
4 under the Licensee Protected Contracts. Moreover, to the extent permissible by otherwise
5 applicable law, the Confirmation Order shall estop, enjoin, and forever bar the Chapter 11
6 Trustee, the Debtor, the Reorganized Company, and all applicable third-party patent owners
7 and each of their successors and assigns from taking any action to disrupt or otherwise
8 invalidate or challenge Licensee Parties' licenses, rights, offsetting or recoupment claims,
9 interests, property or defenses.

10 Thus, for avoidance of doubt, each Licensee Party shall have the same unimpaired
11 rights, claims, including offsetting or recoupment claims, interests, and defenses, as such party
12 would have had there been no Bankruptcy Case or MMP Plan. As used in this Article, the
13 terms rights, claims, interests and defenses shall be used in their broadest and most
14 comprehensive senses, including, without limitation, as such terms are used in the Bankruptcy
15 Code. Moreover, the property and property rights of each Licensee Party shall not be directly
16 or indirectly impaired, prejudiced or otherwise adversely affected by the MMP Plan or
17 Confirmation Order, whether by § 1141 or otherwise. Nothing in the MMP Plan or in the
18 Confirmation Order [or the operation of Article XVIII](#) shall be deemed to restrain, enjoin, stay or
19 otherwise obstruct the enforcement, exercise or defense by any Licensee Party after the
20 Effective Date of any of their licenses, rights, offsetting or recoupment claims, interests,
21 property or defenses. Without limiting the generality of the foregoing and notwithstanding any
22 retained jurisdiction provisions in the Plan, the Licensee Parties may respond as law or equity
23 permit with respect to any claim or cross-claim by the Committee (no such claim is expected or
24 authorized under the MMP Plan), Debtor or Reorganized Company or its affiliates or any of
25 their successors, assignees, or agents, by enforcing in any court or tribunal of competent
26 jurisdiction (as if all bankruptcy jurisdiction with respect thereto ended on the Effective Date)
27 any or all of the licenses, rights, offsetting or recouping claims, interests, property or defenses
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1 available or reserved in connection with this Article.

2 **E. No Change For Patent Actions**

3 Notwithstanding any other provision of the MMP Plan or the Confirmation Order [or the](#)
4 [operation of Article XVIII](#), to the extent any patent action or other litigation has been or may
5 be filed or threatened by or for the Chapter 11 Trustee, the Debtor or the Reorganized Company
6 against any Licensee Objector, the position of the parties thereto after the Effective Date shall
7 not be changed by or on account of the MMP Plan or Confirmation Order, and Licensee Parties'
8 rights and defenses shall remain fully preserved, as if there had been no Bankruptcy Case or
9 Plan.

10 **F. No Rejection or § 1141 Impact On Licenses**

11 None of the Licensee Protected Contracts can or will be rejected pursuant to § 365 or
12 impaired or extinguished or discharged or prejudiced by § 1141 or otherwise, but rather all
13 Licensee Protected Contracts shall ride through unimpaired, as provided in this Article.
14 Furthermore, there shall be no rejection, including no post-Effective Date rejection, of any of
15 the Licensee Protected Contracts; all such agreements shall either be expressly assumed by the
16 Debtor or shall ride through the Bankruptcy Case unimpaired.

17 **G. No Limit On Licensee Transfers**

18 Notwithstanding Plan Article IX or any other provision of the MMP Plan or
19 Confirmation Order or, to the maximum extent permitted by applicable law, any Licensee Party
20 may transfer, without restraint, all or any part of or interest in its preserved rights, property,
21 claims, interests or defenses, including the Licensee Protected Contracts, whether before or
22 after the Effective Date.

23 **H. No Limit On Licensee Amendments To Claims, As Permitted By Law**

24 Notwithstanding Plan Article IX or other provisions of the MMP Plan or Confirmation
25 Order, applicable law shall determine whether and to what extent any Licensee Objector's
26 proof of claim may be amended.

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1 Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court or
2 any court hearing an appeal from the Confirmation Order will reach the same conclusion.
3 Moreover, there can be no assurance that modifications to the Plan will not be required for
4 Confirmation or that such modifications would not necessitate the re-solicitation of votes. In
5 addition, although the Debtor believes that the Effective Date will occur soon after the
6 Confirmation Date, there can be no absolute assurance in this regard.

7 **B. Risks Relating to the Appended Pro Formas.**

8 Mr. Moore has prepared the Pro Formas attached hereto as [Appendices “1” Exhibits 3](#)
9 and [“2”4](#) (incorporated herein by reference), which provide financial information with key
10 assumptions, in connection with the development of the MMP Plan, to present the projected
11 effects of the Plan and the transactions contemplated thereby. The Pro Formas assume that the
12 Plan and the transactions contemplated thereby will be implemented in accordance with their
13 respective terms, and are based on numerous other assumptions and estimates. The
14 assumptions and estimates underlying the Pro Formas are inherently uncertain and are subject
15 to significant business, economic and competitive risks and uncertainties that could cause actual
16 results to differ materially from those projected. Accordingly, the Pro Formas are not
17 necessarily indicative of the future financial condition or results of operations of the
18 Reorganized Company, which may vary significantly from those set forth in the Projections.

19 **C. Claims Estimates and Distributions Risks.**

20 The Administrative Claims Bar Date and Rejection Claims Bar Date will occur after
21 Confirmation, and the Allowed amount of such Claims may increase the total liabilities of the
22 Reorganized Company.

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1 of claims or interests in this case depend to a large degree on the accounting method adopted by
2 that hypothetical creditor. A “hypothetical creditor” in this case is defined as a general
3 unsecured creditor. In accordance with federal tax law, a holder of such a claim that uses the
4 accrual method and who has posted its original sale to TPL as income at the time of the product
5 sold or the service provided hypothetically should adjust any net operating loss to reflect the
6 amounts paid by TPL under the Plan provided that holder previously deducted the liability to
7 TPL as a “bad debt” for federal income tax purposes. Should that holder lack a net operating
8 loss, then in accordance with federal income tax provisions, the holder should treat the dividend
9 paid as ordinary income, again provided the holder previously deducted the liability to TPL as a
10 “bad debt” for federal income tax purposes. If the accrual basis holder of the claim did not
11 deduct the liability as a “bad debt” for federal income tax purposes, then the amount paid by
12 TPL has no current income tax implication.

13 A holder of a claim that uses a cash method of accounting would, in accordance with
14 federal income tax laws, treat the amount paid as income at the time of receipt.

15 **MR. MOORE MAKES NO REPRESENTATIONS REGARDING THE**
16 **PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND**
17 **CONSUMMATION OF THE PLAN AS TO ANY CREDITOR. EACH PARTY**
18 **AFFECTED BY THE PLAN SHOULD CONSULT HER, HIS OR ITS OWN TAX**
19 **ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN**
20 **WITH RESPECT TO A CLAIM.”**

21 **ARTICLE XXII:**

22 **VOTING PROCEDURES AND REQUIREMENTS.**

23 **A. Creditors and Interest Holders Entitled to Vote.**

24 Only Impaired (as that term is defined in Section 1124 of the Bankruptcy Code) Classes
25 under the Plan are entitled to vote on the Plan.

26 **B. Definition of Impairment.**

27 Section 1124 of the Bankruptcy Code provides in part as follows:

28 . . . a class of claims or equity interests is Impaired under a plan unless,

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1 with respect to each claim or equity interest of such class, the plan-

2 (1) leaves unaltered the legal, equitable, and contractual rights of the
holder of such claim or interest; or

3 (2) notwithstanding any contractual provision or applicable law that
entitles the holder of a claim or interest to demand or receive accelerated
4 payment of its claim or interest after the occurrence of a default:

5 (A) cures any such default that occurred before or after the
commencement of the case under this title, other than a default of a kind
specified in section 365(b)(2) of this title or of a kind that section 365(b)(2)
expressly does not require to be cured;

6 (B) reinstates the maturity of such claim or interest as such maturity
existed before such default;

7 (C) compensates the holder of such claim or interest for any damages
incurred as a result of any reasonable reliance by such holder on such
contractual provision or applicable law;

8 (D) if such claim or such interest arises from any failure to perform a
nonmonetary obligation, other than a default arising from failure to operate a
nonresidential real property lease subject to section 365(b)(1)(A), compensates
9 the holder of such claim or such interest (other than the debtor or an insider) for
any actual pecuniary loss incurred by such holder as a result of such failure; and

10 (E) does not otherwise alter the legal, equitable, or contractual rights
11 to which such claim or interest entitles the holder of such claim or interest.

12 **C. Classes Impaired Under the Plan.**

13 Classes are Impaired by the Plan and entitled to vote. No other Classes are Impaired
14 under the Plan. Pursuant to Section 1126(f) of the Bankruptcy Code, a Class that is not
15 Impaired under the Plan, and each holder of a Claim or Interest of such Class, are conclusively
16 presumed to have accepted the Plan, and solicitation of acceptances with respect to such Class
17 from the holders of Claims or Interests of such class is not required. Therefore, Creditors from
18 Classes 2 and 3, and the holder of Interests in Class 9 do not need to return a Ballot.

19 **D. Vote Required for Class Acceptance.**

20 The Bankruptcy Code defines acceptance of a plan by a class of creditors as acceptance
21 by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of
22 the claims of that class which actually cast ballots for acceptance or rejection of the Plan, i.e.,
23 acceptance takes place only if two-thirds (2/3) in amount and a majority in number of the
24 Creditors voting cast their ballots in favor of acceptance.

25 The Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance
26 by the holders of two-thirds (2/3) in amount of the allowed interests of that class which actually
27 cast ballots for acceptance or rejection of the plan, i.e., acceptance in a class of interests takes
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1 place only if the holders of two-thirds (2/3) in the amount of the allowed interests in the class
2 cast their ballots in favor of acceptance. As discussed above, the Plan does not impair the rights
3 of the holder of Allowed Interests, and Class 9 is conclusively presumed to have accepted the
4 Plan.

5 **E. Procedures.**

6 With the Plan and MMP Disclosure Statement, Creditors will receive a Ballot and
7 instructions for voting on the Plan. You should read the Ballot carefully and follow the
8 instructions contained therein. Please use only the Ballot sent to you with this MMP Disclosure
9 Statement and the Plan.

10 Creditors in Class 6 who wish to receive treatment under Class 5 must indicate their
11 election to be in Class 5 where indicated on the Ballot, or they will receive treatment in Class 6.

12 A Claim to which an objection has been filed is not an Allowed Claim unless and until
13 the Bankruptcy Court rules on the objection. Pursuant to a motion by a Creditor, the
14 Bankruptcy Court may temporarily allow a Disputed Claim to which an objection has been
15 filed for purposes of voting on the Plan. Therefore, although holders of Disputed Claims to
16 which an objection has been filed will receive Ballots, these votes will not be counted unless
17 the Bankruptcy Court temporarily allows such Claims for purposes of voting on the Plan.

18 If a party in interest is a member of more than one Class, it will receive a Ballot for each
19 Class. **IF YOU ARE A MEMBER OF MORE THAN ONE CLASS, YOU MUST FILL OUT
20 AND RETURN ALL BALLOTS SENT TO YOU FOR YOUR VOTE TO COUNT IN EACH
21 CLASS. CREDITORS WISHING TO VOTE ON THE PLAN MUST COMPLETE THE
22 BALLOT PROVIDED AND RETURN IT NO LATER THAN _____, 2014
23 TO:**

24 TPL Ballots
25 c/o Kenneth H. Prochnow
26 Chiles and Prochnow, LLP
26 2600 El Camino Real, Ste. 412
26 Palo Alto, CA 94306

27 **IF YOUR BALLOT IS NOT RETURNED BY _____, 2014 (the “VOTING”**

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1 DEADLINE”), IT MAY NOT BE CONSIDERED. BALLOTS WHICH ARE RETURNED
2 BUT NOT PROPERLY EXECUTED WILL NOT BE CONSIDERED. BALLOTS WHICH
3 ARE EXECUTED BUT WHICH FAIL TO INDICATE EITHER ACCEPTANCE OR
4 REJECTION OF THE PLAN WILL BE CONSIDERED AS ACCEPTING THE PLAN.

5 **ARTICLE XXIII:**

6 **CONFIRMATION PROCEDURES; OBJECTIONS TO CONFIRMATION**

7 Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

8 **A. Confirmation Hearing.**

9 Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to
10 hold a hearing on confirmation (approval) of the Plan (the “Confirmation Hearing”). The
11 Confirmation Hearing may be postponed from time to time by the Bankruptcy Court without
12 further notice except for an announcement made at the Confirmation Hearing or any
13 postponement thereof. Section 1128(b) provides that any party in interest may object to
14 confirmation of the Plan. Any objection to Confirmation must be made in writing and filed
15 with the Bankruptcy Court and served on the following parties, together with a certificate of
16 service, no later than _____:

17 For Mr. Moore:
18 Kenneth H. Prochnow
19 Chiles and Prochnow, LLP
20 2600 El Camino Real Ste 412
Palo Alto, CA 94306
email: kprochnow@chilesprolaw.com

21 For the Debtor:
22 Heinz Binder / Robert G. Harris
23 Binder & Malter, LLP
2775 Park Avenue
Santa Clara, CA 95050
24 emails: Heinz@bindermalter.com
RobertHarris@bindermalter.com

25 For the Committee:
26 John Walshe Murray
27 Dorsey & Whitney LLP
305 Lytton Avenue
Palo Alto, CA 95014
28 email: murray.john@dorsey.com

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1 For the United States Trustee:
2 Office of the United States Trustee
3 United States Department of Justice
4 Attn.: John Wesolowski
5 280 S. First Street, #268
6 San Jose, CA 95113
7 email: john.wesolowski@usdoj.gov

8 Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

9 **B. Requirements for Confirmation of the Plan.**

10 At the Confirmation Hearing, the Bankruptcy Court must confirm the Plan if it
11 determines that all of the requirements of Section 1129 of the Bankruptcy Code have been
12 satisfied. Applicable requirements are as follows:

- 13 1. The Plan complies with the applicable provisions of the Bankruptcy
14 Code;
- 15 2. The Debtor has complied with the applicable provisions of the
16 Bankruptcy Code.
- 17 3. The Plan has been proposed in good faith and not by any means
18 forbidden by Law.
- 19 4. Any payment made or to be made by the Debtor, or by a person issuing
20 securities or acquiring property under the Plan, for services or for costs and expenses in or in
21 connection with the Bankruptcy Case, or in connection with the Plan and incident to the
22 Bankruptcy Case, has been approved by, or is subject to the approval of, the Court as
23 reasonable;
- 24 5. The Debtor has disclosed the identity and affiliations of any individual
25 proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the
26 Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to
27 the Debtor under the Plan; and the appointment to, or continuance in, such office of such
28 individual, is consistent with the interests of holders of Claims and Interests and with public
policy; and the Debtor has disclosed the identity of any insider that will be employed or
retained by the Reorganized Company, and the nature of any compensation for such insider;
6. With respect to each Class of Impaired Claims or Interests, each holder

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1 of a Claim or Interest of such Class either (a) has accepted the Plan, or (b) will receive or retain
2 under the Plan on account of such Claim or Interest property of a value, as of the Effective Date
3 of the Plan, that is not less than the amount that such holder would so receive or retain if the
4 Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code;

5 7. Subject to the “cramdown” provisions of the Bankruptcy Code discussed
6 in each Class of Claims or Interests has accepted the Plan;

7 8. Except to the extent that the holder of a particular Claim has agreed to a
8 different treatment of such Claim, the Plan provides that incurred, Allowed Administrative
9 Claims will be paid in full on the Effective Date of the Plan and that Allowed Priority Tax
10 Claims will be paid in full over a period not longer than five (5) years from the Petition Date;

11 9. If a Class of Claims is Impaired under the Plan, at least one Class of
12 Impaired Claims has accepted the Plan, determined without including any acceptance of the
13 Plan by any insider holding a Claim of such Class;

14 10. Confirmation of the Plan is not likely to be followed by the liquidation,
15 or the need for further financial reorganization, of the Debtor or any successor to the Debtor
16 under the Plan, unless such liquidation or reorganization is proposed in the Plan;

17 11. All fees payable under Section 1930 of title 28, as determined by the
18 Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the
19 payment of all such fees on the Effective Date of the Plan; and

20 12. All transfers of property of the Plan are to be made in accordance with
21 any applicable provisions of nonbankruptcy law that govern the transfer of property by a
22 corporation or trust that is not a moneyed, business, or commercial corporation or trust.

23 **C. Compliance with Confirmation Requirements.**

24 Mr. Moore believes that all of the foregoing requirements have been or will be met prior
25 to the Confirmation Hearing. Specifically, Mr. Moore believes: (1) the Plan is in the best
26 interests of Creditors, in that holders of all Allowed Claims will receive payments under the
27 Plan having a present value as of the Effective Date of the Plan in amounts not less than the
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1 amounts likely to be received if the Debtor was liquidated in a case under Chapter 7 of the
2 Bankruptcy Code; and (2) the Plan will be accepted by sufficient votes in each Impaired Class
3 or may be confirmed under the cramdown standards of Section 1129(b) of the Bankruptcy Code
4 even if sufficient votes are not received.

5 **D. Cramdown.**

6 In the event that any Impaired Class of Claims does not accept the Plan, the Bankruptcy
7 Court may still confirm the Plan at the request of the proponent if, as to each Impaired Class
8 which has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and
9 equitable.” Generally, a plan of reorganization “does not discriminate unfairly” against a class
10 if the plan allocates value to that class in a manner consistent with the treatment afforded to
11 other classes with similar legal claims against the debtor. “Fair and equitable” has different
12 meanings for the holders of secured and unsecured claims, and for holders of interests.

13 With respect to a secured claim, “fair and equitable” means either: (a) the impaired
14 secured creditor retains its liens to the extent of its allowed claim and receives deferred cash
15 payments at least equal to the allowed amount of its claim with a present value as of the
16 effective date of the plan at least equal to the value of such creditor’s interest in the property
17 securing its liens; (b) property subject to the lien of the impaired secured creditor is sold free
18 and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds
19 are treated in accordance with clauses (a) or (c) hereof; or (c) the impaired secured creditor
20 realizes the “indubitable equivalent” of its claim under the plan.

21 With respect to an unsecured claim, “fair and equitable” means either: (a) each impaired
22 unsecured creditor receives or retains property of a value equal to the amount of its allowed
23 claim; or (b) the holders of claims and interests that are junior to the claims of the dissenting
24 class will not receive any property under the plan. For example, while Class 6A under the Plan
25 is Impaired, holders of Allowed Unsecured Claims in Class 6 will receive payment in the full
26 amount of their Allowed Claims plus interest, under the Plan. Therefore, the Plan is fair and
27 equitable with respect to Allowed Unsecured Claims in Class 6A.

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1 With respect to a class of interests, “fair and equitable” means either: (a) the plan
2 provides that each holder of an interest of such class receive or retain on account of such
3 interest property of a value, as of the effective date of the plan, equal to the greatest of the
4 allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed
5 redemption price to which such holder is entitled, or the value of such interest; or (b) the holder
6 of any interest that is junior to the interests of such class will not receive or retain any property
7 under the plan on account of such junior interest.

8 In the event that one or more Classes of Impaired Claims rejects the Plan, the
9 Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and
10 equitable and does not discriminate unfairly against any rejecting Impaired Class of Claims.

11 **ARTICLE XXIV:**
12 **BEST INTERESTS TEST**

13 The MMP Plan presents a feasible means for reorganization of Debtor TPL’s business,
14 based on sound business assumptions. The MMP Plan features substantial reliance on a new
15 direction for Debtor TPL’s core business, licensing of the MMP Portfolio of patents. The
16 means for a renewed and revitalized licensing program for the MMP Portfolio is provided by
17 Creditor Moore through Moore Innovations Group, an entity that will link to Mr. Moore’s
18 practicing his MMP Portfolio patents and thereby remove any basis for claim that the MMP
19 Portfolio is in service of a patent aggregator or patent troll.

20 Attached as Exhibit 2 to this disclosure statement is the Moore Innovations Group
21 Business Plan, which sets out in detail the means by which MMP Portfolio licensing will be
22 carried forward and carried out under the MMP Plan when confirmed. The MMP Plan relies
23 heavily on MIG, its licensing abilities and the basis it will provide for litigation if infringers
24 decline to purchase MMP licenses.

25 MIG will employ experienced personnel with backgrounds in patent claims and
26 licensing. Creditor Moore, the MMP co-inventor, will be the face of and a force in his company.
27 MIG represents the last best hope for Debtor TPL to achieve viability and profitability, and to
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1 [provide the means to pay TPL's creditors.](#)

2 The Bankruptcy Court must independently determine that the Plan is in the best interest
3 of all Classes of Creditors and Interests. The "best interest" test requires that a plan provide to
4 each dissenting member of each Impaired Class a recovery that has a present value at least
5 equal to the present value of the distribution which each such Creditor or Interest holder would
6 receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

7 **A. Liquidation Under Chapter 7.**

8 In performing this analysis, the Bankruptcy Court must determine the amount that
9 would be generated from a Chapter 7 liquidation of the Debtor's assets after deducting the costs
10 of liquidation. As a general matter, because a Chapter 7 Trustee does not operate a business, a
11 reorganization pursuant to the Plan will enable the Reorganized Company, under new,
12 independent management, to continue to operate the business as a going concern, proficiently
13 administer the Plan and maximize value for the Debtor's creditors in the most cost-effective
14 and sensible manner.

15 On the other hand, a Chapter 7 Trustee's costs in liquidating the Bankruptcy Estate
16 would include the Trustee's commissions, the Trustee's expenses, fees for counsel and other
17 professionals retained by the Trustee, and additional Administrative Claims. Assets would be
18 liquidated at reduced liquidation values as opposed to their going concern value. In addition to
19 liquidating the Debtor's assets, the Trustee would also need to decide whether to litigate certain
20 claims and investigate other possible litigation matters. Generally, no distribution is made in a
21 Chapter 7 case until all assets of the bankruptcy estate and all claims have been liquidated, a
22 process that often can take many months and sometimes years. This delay could further impair
23 the value of any distribution made to holders of Claims in a Chapter 7 liquidation. As detailed
24 herein, Mr. Moore believes that creditors will fare much better if the Debtor, under new
25 management, is permitted to continue its restructured operations, monetize existing assets in a
26 manner designed to maximize its value, and sell licenses for intellectual property, all as
27 contemplated by the Plan.

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1 **B. Liquidation Analysis.**

2 When a Chapter 11 case is converted to a case under Chapter 7 of the Bankruptcy Code,
3 a Chapter 7 trustee is appointed to conduct the affairs of the estate. In applying the liquidation
4 test of Bankruptcy Code Section 1129(a)(7)(A)(ii), the Bankruptcy Court must consider not
5 only the accrued expenses of administration from the Chapter 11, but the Chapter 7 trustee's
6 fees and expenses, and the fees and expenses of professionals likely to be retained by that
7 trustee. Generally, no distribution is made in a Chapter 7 case until all assets of the Bankruptcy
8 Estate and all claims have been liquidated, a process that can often take many months and
9 sometimes years. Most importantly, a Chapter 7 trustee does not operate the business over
10 which he or she takes control except in very rare circumstances.

11 TPL's most valuable assets are its commercialization rights in the various patent
12 portfolios pursuant to which it generates revenue, as well as its 50% ownership in the PDS
13 Joint Venture. TPL contends that a Chapter 7 trustee would not be able to generate revenue
14 from the commercialization agreements for the following reasons: first, the commercialization
15 agreements are exclusive patent licenses, and thus cannot be assumed in bankruptcy without the
16 licensor's permission. TPL does not believe a trustee would be able to obtain the requisite
17 permission and that such permission cannot be compelled, even if such parties are related
18 parties. Second, even if one or more licensors were to grant such permission, it is unlikely that
19 a Chapter 7 trustee could assume the agreements in any case, for a trustee would not be able to
20 represent that he or she could perform under the agreements by commercializing the portfolios.
21 Next, revenue generation from the patent portfolios also depends upon the continued
22 prosecution of the patent litigation. There is not a high likelihood that the patent-litigation
23 counsel would agree to continue to work for a Chapter 7 trustee. Third, the market would be
24 well-informed of any Chapter 7. Potential licensees would have little reason to buy licenses
25 from a Chapter 7 trustee. The much greater likelihood is that infringers would multiply and
26 infringe for years before credible enforcement could ever be brought to bear, if ever, to force
27 settlements.

28 Without the revenue from the licensing programs for CORE Flash, Fast Logic or 3D
Art, a Chapter 7 trustee's distribution in this case would be limited to the proceeds from the

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1 PDS distribution for TPL's ownership in MMP, selling TPL's minimal personal property and,
2 possibly, from some smaller avoidance actions. That analysis follows.

3 1. Liquidation Analysis Applied

4 a. Assets.

5 All of the cash in the estate is subject to the liens of CCC, Mr. Venkidu and Mr.
6 Leckrone. Mr. Leckrone's security interest also extends to the personal property of the estate
7 that is not comprised of proceeds from the Patent Portfolios. Mr. Leckrone's liens would be
8 disputed, and it is likely that he would not prevail in his attempt to gain from the bankruptcy.
9 The personal property, reflected on the schedules, consists of a credit from the Mandarin
10 Oriental Hotel for approximately \$26,000, and various office and lab equipment and inventory,
11 scheduled at \$44,500.

12 TPL owns a 50% interest in PDS, which, upon the rejection of the amendment to the
13 PDS agreement from August, 2012, would regain the exclusive right to license the MMP
14 Portfolio. This interest is also subject to the security interest held by Mr. Leckrone. While a
15 Chapter 7 trustee might be able to assign an income interest in PDS, it is unlikely that under
16 Delaware law, anything more is assignable. It is unknown how much would be paid for a
17 partial interest in PDS. The PDS distributions to TPL, or the trustee in the case of a Chapter 7,
18 have value, although the value of the MMP Portfolio may be diminished by the Chapter 7 itself.
19 Because it is difficult to determine what impact, if any, a Chapter 7 liquidation would have on
20 the revenue prospects for MMP, this analysis will assume a marginal impact to what TPL
21 considers MMP's revenue prospects. In addition, a Chapter 7 liquidation and sale of TPL's
22 rights to the MMP portfolio would require Mr. Moore to accept the deal. This is not a foregone
23 conclusion, unless it benefits Mr. Moore. Finally, PDS itself could be dissolved, as per the
24 agreement between PTSC, TPL and Mr. Moore. In this case, rights to the portfolio would be
25 split between the parties, and there is no guarantee that TPL would be able to retain any rights
26 whatsoever to the portfolio, should Mr. Moore decide to litigate in order to retrieve his rights to
27 the portfolio from TPL. Even if this weren't the case, should PTSC and TPL vie for licenses as
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 competitors, this would lead to a downward spiral in licensing revenue associated with the
2 MMP portfolio. Finally, a change in ownership of TPL could affect standing in multiple cases
3 currently pending, further damaging the value of the IP assets of TPL.

4 PDS licenses the MMP Portfolio and receives revenue from that effort, and may receive
5 additional jury awards like the one recently from HTC – although jury awards are far more
6 speculative and costly to obtain. Currently, revenues from MMP are paid to the contingency
7 firm handling litigation, Agility. The payment to Agility varies significantly depending on
8 whether the licensee is a defendant or not. PDS is also obligated to pay all vendors from MMP
9 revenue, for sales, marketing, litigation support and prosecution and maintenance, and all
10 vendors used in relation to litigation preparation including expert witnesses, document
11 production vendors, etc. PDS also pays MMP inventor Charles Moore a monthly consulting fee
12 and advances payments to Patriot and Mr. Moore for their percentage share of returns pursuant
13 to the January 2013 Settlement Agreement. Finally, the remainder is split amongst TPL, Patriot
14 and Moore. While TPL’s share of MMP revenue is approximately 26% that number drops
15 below 10% historically after taking into account all PDS payables. In order for a trustee to pay
16 TPL creditors in full from MMP alone and assuming that the estimated share to TPL is accurate
17 over time, the MMP portfolio would have to generate approximately 2.7 times the revenue TPL
18 currently believes the MMP Portfolio will produce within the next six years. While TPL’s
19 estimates may be conservative for MMP revenue in its forecast, TPL does not believe almost
20 three times that amount is realistic.

21 TPL also owns the “Sub-Wavelength Acoustic Technology” Portfolio. This Portfolio
22 does not have any near-term liquidation value. The only other personal property owned by TPL
23 that is not a lawsuit or right to a lawsuit are various claims against PDS and Patriot. These
24 companies, however, depend entirely on the success of the MMP Licensing Program for their
25 income. Without TPL and the Licensing Program these companies may not have sufficient
26 value to support any significant claim against them.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 TPL also holds causes of action against the Shareholders, Officers and Directors of
2 GreenArrays, Inc. for fraud, conversion and misappropriation of trade secrets being asserted in
3 the TPL/Brown “Roe” litigation. Given the complexity of the action, however, it is unlikely a
4 Chapter 7 trustee would pursue it or that the Defendants would settle quickly.

5 b. Avoidance Actions.

6 A Chapter 7 trustee (or if the Plan is confirmed, the Creditor Trust Trustee) would
7 examine the offset under the Amended Services Agreement pursuant to which TPL offset
8 approximately \$16.3 million of debt owed to Alliacense for unpaid services rendered with a
9 \$15 million obligation owed to TPL by Alliacense described herein. It is possible that the
10 mutual offset of obligations between TPL and Alliacense may be challenged as avoidable under
11 Bankruptcy Code section 553 as an offset with an Insider that was completed within one year
12 of the filing of the case. in any event retain the power to investigate and, if appropriate,
13 prosecute any action to avoid or recover the offset.

14 In addition, a Chapter 7 trustee would evaluate the claims TPL has against PDS and
15 Patriot, including an offset asserted by Patriot related to a contingency amount claimed to be
16 owing to TPL by PDS from a license agreement entered into when TPL still managed the MMP
17 Licensing Program. PDS has refused to pay TPL \$225,000 for a contingency payment on a
18 License that was executed while TPL still managed the Licensing Program and claimed that the
19 amount owing is offset against some other amount Patriot claims TPL owes to PDS. Patriot has
20 apparently not disputed that the \$225,000 is owed under the agreement. Mr. Leckrone believed
21 the offset asserted by Patriot is subject to attack because it was done within 90 days of TPL’s
22 Chapter 11 filing and no value was given in exchange.

23 A Chapter 7 trustee may evaluate salaries to insiders as well as the incentive
24 compensation arrangements; however, Mr. Leckrone and his management group have recently
25 resigned from TPL, and prior TPL management asserted that since 2008 no payments were
26 made with respect to Incentive Compensation agreements.

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 Other historical transactions discussed herein may also be evaluated by a Chapter 7
2 trustee.

3 c. Costs.

4 The costs of liquidation would include the expenses for administration of the estate such
5 as the disposition of the physical equipment of TPL, payment of professional fees for the
6 Chapter 7 trustee, and payment of the administrative fees from the Chapter 11 case, including
7 the fees for the professionals retained by the Committee. As of April 2014, the total
8 professional fees in the Chapter 11 case, not including the fees of the patent-litigation attorneys,
9 were estimated to exceed \$2.8 million, none of which had been paid. TPL may also face claims
10 for litigation support and licensing services from Alliacense during the bankruptcy case;
11 Alliacense's possible claim for unpaid administrative claims is stated by Mr. Leckrone to be
12 approximately \$400,000; that claim is subject to reduction or elimination through negotiation
13 or set-off of TPL claims against Alliacense.

14 d. Claims.

15 The deadline for filing proofs of claim in the case was July 23, 2013. TPL's schedules
16 reflect the following totals:

17 Secured: \$10,728,180

18 Priority: \$136,197

19 Unsecured: \$15,305,915 plus \$13,696,874 of insider and non-Insider investor claims.

20 The MMP Plan, projected to pay unsecured Allowed Claims 100% of the amount owed
21 plus interest, provides for at least as much to each holder of an Allowed Claim as does the
22 expected 0% recovery, administratively insolvent Chapter 7 liquidation alternative.

MMP Plan – Ch 11	Amounts	Ch 7 Liquidation	Amounts
Projected Available Cash		Projected Available Cash	
as of Effective Date	\$100,000	as of Effective Date	\$100,000

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24 FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1	MMP Plan – Ch 11	Amounts	Ch 7 Liquidation	Amounts
2	Projected Distributions		Other Asset Net Value (6	
3	under Plan (5 Yrs)	\$42,436,000	Yrs)	\$22,000,000 ⁹
4	Total Ch 11 Distribution	\$42,536,000	Total Ch 7 Distribution	\$22,100,000
5	Secured Claims	<\$10,600,000>	Secured Claims	<10,600,000>
6	Projected Ch 11		Projected Ch 11	
7	Administrative Claims	<\$2,800,000>	Administrative Claims	<\$2,800,000>
8	Ch 11 Creditor Trust			
9	Trustee	<\$80,000>	Ch 7 Trustee Fee	<\$80,000>
10	Assets Available for			
11	Distribution under Ch 11	\$41,310,000	Assets Available under Ch	\$3,016,000
12	Plan		7 Plan	
13	Unsecured Debt	\$15,305,915	Unsecured Debt	\$15,305,915
14	Investor Debt	\$13,696,874	Investor Debt	\$13,696,874
15	Percentage Recovery	100% of General	Percentage Recovery under	10.4% of General
16	under Ch 11 Plan	Unsecured and	Ch 7 Plan	Unsecured Debt and zero
17		Investor Debt		Investor Debt if accepted.

18 Dated: ~~August 28~~October 1, 2014

/s/Charles H. Moore
Charles H. Moore, Creditor

20 Dated: ~~August 28~~October 1, 2014

CHILES AND PROCHNOW, LLP

By: _____
/s/Kenneth H. Prochnow
Kenneth H. Prochnow
Attorneys for Creditor Charles H. Moore

Appendix 1: Pro Forma Profit & Loss Statement 2015-2020 for TPL

28 ⁹ Disclosure Statement RE: TPL Plan of Reorganization, pg 83.

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TPL Pro Forma 2015 - 2020	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	6 Yr	Total
MMP Royalty Revenue	978	5,541	6,193	9,126	6,519	5,704		34,060
Non-MMP Royalty Revenue	2,000	4,000	4,000	4,000	4,000	2,000		20,000
Tot Gross Revenue	2,978	9,541	10,193	13,126	10,519	7,704		54,060
Less: CGS	1,000	2,000	2,000	2,000	2,000	1,000		10,000
Gross Margin	1,978	7,541	8,193	11,126	8,519	6,704		44,060
Operating Costs	250	500	500	500	500	500		2,750
Admin Claims	800	2,200	0	0	0	0		3,000
Priority Claims	120	0	0	0	0	0		120
Class 2 (CCC)	420	420	0	0	0	0		840
Class 3 (Venkidu)	187	4,147	2,000	0	0	0		6,334
Class 4 (Leckrone)	0	0	1,000	0	0	0		1,000
Class 5 (Convenience)	50	0	0	0	0	0		50
Class 6 (General Unsecured)	50	0	5,068	10,542	0	0		15,660
Class 7 (non-Insider 13%)	0	0	0	209	5,413	0		5,622
Class 8 (Non-Insider Rejected)	0	0	0	0	0	500		500
Class 9A (Insiders)	0	0	0	0	2,606	5,468		8,074
Class 9b (Insider Rejected)	0	0	0	0	0	500		500
Class 10 (Interests)	0	0	0	0	0	736		736
WCR	226	774	0	0	0	-1,000		0
Total Expenses	2,103	8,041	8,568	11,251	8,519	6,704		45,186

Appendix 2: Pro Forma Profit & Loss Statement 2015-2020 for MIG

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 FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	6 Yr Total
MIG Licensing & Litigation Revenue Forecast 2015-2020							
Tot Rev Forecast	\$5,000	\$30,000	\$35,000	\$55,000	\$40,000	\$35,000	\$200,000
Licensing Revenue	\$5,000	\$20,000	\$15,000	\$5,000	\$0	\$0	\$45,000
Litigation Revenue	\$0	\$10,000	\$20,000	\$50,000	\$40,000	\$35,000	\$155,000
Agility Lit Cont (30%)	\$0	\$3,000	\$6,000	\$15,000	\$12,000	\$10,500	\$46,500
Agility Lic Comms (5%)	\$250	\$1,000	\$750	\$250	\$0	\$0	\$2,250
3rd Party Lit Support	\$0	\$250	\$500	\$1,250	\$1,000	\$875	\$3,875
MIG Qtr Advance	\$500	\$1,000	\$1,000	\$500	\$0	\$0	\$3,000
MIG Lic Comms (20%)	\$500	\$3,000	\$2,000	\$500	\$0	\$0	\$6,000
MIG Lit Comms (5%)	\$0	\$500	\$1,000	\$2,500	\$2,000	\$1,750	\$7,750
Net to PDS	\$3,750	\$21,250	\$23,750	\$35,000	\$25,000	\$21,875	\$130,625
Gross Payout %	75.0%	70.8%	67.9%	63.6%	62.5%	62.5%	65.3%
MIG Forecast							
PDS Advance	\$500	\$1,000	\$1,000	\$500	\$0	\$0	\$3,000
NET MIG Lic Comms (20%)	\$500	\$3,000	\$2,000	\$500	\$0	\$0	\$6,000
NET Lit Comms (5%)	\$0	\$500	\$1,000	\$2,500	\$2,000	\$1,750	\$7,750
Gross MIG Income	\$1,000	\$4,500	\$4,000	\$3,500	\$2,000	\$1,750	\$16,750
Less: CGS							
MIG Gross Margin	\$1,000	\$4,500	\$4,000	\$3,500	\$2,000	\$1,750	\$16,750
Expenses							
Rent	\$30	\$60	\$62	\$64	\$66	\$68	\$349
Utilities	\$18	\$12	\$12	\$13	\$13	\$14	\$82
Telecom	\$12	\$12	\$12	\$13	\$13	\$14	\$76
IT / Network / Software	\$60	\$120	\$124	\$31	\$8	\$8	\$350
FedEx	\$6	\$20	\$21	\$5	\$1	\$1	\$54
Prod Reserch / Subscriptions	\$30	\$200	\$50	\$25	\$13	\$0	\$318
Teardown Product	\$15	\$60	\$62	\$31	\$15	\$0	\$183
Travel	\$30	\$200	\$220	\$110	\$55	\$28	\$643
Marketing Exp	\$50	\$100	\$50	\$25	\$13	\$6	\$244
Other	\$20	\$22	\$24	\$27	\$29	\$32	\$154
Operating Exp	\$271	\$806	\$637	\$343	\$226	\$170	\$2,452
Salaries							
Sales Exp (5%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin (1)	\$10	\$60	\$66	\$73	\$80	\$80	\$368
Engineers (1)	\$48	\$96	\$106	\$116	\$128	\$128	\$621
Tear Down (1)	\$21	\$84	\$87	\$89	\$92	\$95	\$467
Inside Sales (2)	\$27	\$72	\$74	\$37	\$0	\$0	\$210
Finance	\$60	\$120	\$124	\$127	\$131	\$135	\$697
Sales Interns / Analysts	\$6	\$24	\$26	\$13	\$7	\$7	\$83
CEO	\$72	\$144	\$144	\$144	\$144	\$144	\$792
Salaries Exp	\$244	\$600	\$626	\$599	\$581	\$588	\$3,239
Net Total Exp	\$515	\$1,406	\$1,263	\$942	\$807	\$758	\$5,690
EBT	\$735	\$3,094	\$2,737	\$2,558	\$1,193	\$992	\$11,310
Bonus Pool (20% EBT)	\$147	\$619	\$547	\$512	\$239	\$198	\$2,262
EBIT	\$588	\$2,475	\$2,190	\$2,046	\$955	\$794	\$9,048
Tax (25%)	\$147	\$619	\$547	\$512	\$239	\$198	\$2,262
MIG Net Income	\$441	\$1,856	\$1,642	\$1,535	\$716	\$595	\$6,786

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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Royalties							
Net Royalties	\$3,750	\$21,250	\$23,750	\$35,000	\$25,000	\$21,875	\$130,625
% Royalties - Top Line	75%	71%	68%	64%	63%	63%	65%
Royalties Paid							
PTSC (50%)	\$1,875	\$10,625	\$11,875	\$17,500	\$12,500	\$10,938	\$65,313
CHM (23.925%)	\$897	\$5,084	\$5,682	\$8,374	\$5,981	\$5,234	\$31,252
TPL (26.075%)	\$978	\$5,541	\$6,193	\$9,126	\$6,519	\$5,704	\$34,060
TPL Lic Comms	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net to TPL	\$978	\$5,541	\$6,193	\$9,126	\$6,519	\$5,704	\$34,060
TPL Pro Forma 2015 - 2020							
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	6 Yr Total
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Non-MMP Royalty Revenue	2,000	4,000	4,000	4,000	4,000	2,000	20,000
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Gross Margin	1,978	7,541	8,193	11,126	8,519	6,704	44,060
Operating Costs	250	500	500	500	500	500	2,750
Admin Claims	800	2,200	0	0	0	0	3,000
Priority Claims	120	0	0	0	0	0	120
Class 2 (CCC)	420	420	0	0	0	0	840
Class 3 (Venkidu)	187	4,147	2,000	0	0	0	6,334
Class 4 (Leckrone)	0	0	1,000	0	0	0	1,000
Class 5 (Convenience)	50	0	0	0	0	0	50
Class 6 (General Unsecured)	50	0	5,068	10,542	0	0	15,660
Class 7 (non-Insider 13%)	0	0	0	209	5,413	0	5,622
Class 8 (Non-Insider Rejected)	0	0	0	0	0	500	500
Class 9A (Insiders)	0	0	0	0	2,606	5,468	8,074
Class 9b (Insider Rejected)	0	0	0	0	0	500	500
Class 10 (Interests)	0	0	0	0	0	736	736
WCR	226	774	0	0	0	-1,000	0
Total Expenses	2,103	8,041	8,568	11,251	8,519	6,704	45,186
Gross Revenue	\$54,060						
Gross Margin	\$44,060						
Op Ex	2,750		\$41,310				
Total Claims 1-5	11,344						
Total Other (6-9)	76,277						
Net Payout	90,371						

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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)