



## MIG Pro Forma Profit & Loss, 2015-2020

MMP Rev Forecast (B)	FY 2015	FY 2016	FY 2017	FY2018	FY 2019	FY 2020	6 Yr Total
<b>Tot Rev Forecast</b>	\$15,000	\$40,000	\$50,000	\$50,000	\$50,000	\$45,000	\$250,000
Licensing Revenue	\$7,000	\$20,000	\$15,000	\$5,000	\$0	\$0	\$47,000
Litigation Revenue	\$8,000	\$10,000	\$20,000	\$50,000	\$40,000	\$35,000	\$163,000
Agility Lit Cont (C )	\$2,400	\$3,000	\$6,000	\$15,000	\$12,000	\$10,500	\$48,900
Agility Lic Comms	\$350	\$1,000	\$750	\$250	\$0	\$0	\$2,350
3rd Party Lit Support (D)	\$200	\$250	\$500	\$1,250	\$1,000	\$875	\$4,075
MIG Qtr Advance	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$3,000
MIG Lic Comms (E)	\$1,400	\$3,000	\$2,000	\$1,000	\$0	\$0	\$5,400
MIG Lit Comms	\$400	\$500	\$1,000	\$2,500	\$2,000	\$1,750	\$8,150
Net to PDS	\$9,250	\$31,250	\$38,750	\$30,000	\$35,000	\$31,875	\$178,125
Gross Payout %	61.7%	78.1%	77.5%	60.0%	70.0%	70.8%	71.3%
<b>MIG Forecast</b>							
PDS Advance (F)	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$3,000
NET MIG Lic Comms	\$1,400	\$2,000	\$1,000	\$1,000	\$0	\$0	\$5,400
NET MIG Lit Comms	\$400	\$500	\$1,000	\$2,500	\$2,000	\$1,750	\$8,150
Gross MIG Income	\$2,800	\$3,500	\$3,000	\$3,500	\$2,000	\$1,750	\$16,550
MIG Gross Margin	\$2,800	\$3,500	\$3,000	\$3,500	\$2,000	\$1,750	\$16,550
<b>Expenses (G)</b>							
Rent	\$60	\$60	\$62	\$64	\$66	\$68	\$379
Utilities	\$36	\$12	\$12	\$13	\$13	\$14	\$100
Telecom	\$24	\$12	\$12	\$13	\$13	\$14	\$88
IT / Network / Software	\$120	\$120	\$124	\$31	\$8	\$8	\$410
FedEx	\$12	\$20	\$21	\$5	\$1	\$1	\$60
Prod Reserch / Subscriptions	\$60	\$200	\$50	\$25	\$13	\$0	\$348
Teardown Product	\$30	\$60	\$62	\$31	\$15	\$0	\$198
Travel	\$100	\$200	\$220	\$110	\$55	\$28	\$713
Marketing Exp	\$100	\$100	\$50	\$25	\$13	\$6	\$294
Other	\$40	\$44	\$48	\$53	\$59	\$64	\$309
<b>Operating Exp</b>	\$582	\$828	\$661	\$369	\$255	\$202	\$2,897
<b>Salaries</b>							
Sales Exp	\$350	\$1,000	\$750	\$250	\$0	\$0	\$2,350
Admin (1)	\$60	\$60	\$66	\$73	\$80	\$80	\$418
Engineers (1)	\$96	\$96	\$106	\$116	\$128	\$128	\$669
Tear Down (1)	\$84	\$84	\$87	\$89	\$92	\$95	\$530
Inside Sales (2)	\$45	\$72	\$74	\$37	\$0	\$0	\$228
Finance	\$120	\$120	\$124	\$127	\$131	\$135	\$757
Sales Interns / Analysts	\$18	\$24	\$26	\$13	\$7	\$7	\$95
CEO	\$144	\$144	\$144	\$144	\$144	\$144	\$864
<b>Salaries Exp</b>	\$567	\$600	\$626	\$599	\$581	\$588	\$3,562
<b>Net Total Exp</b>	\$1,149	\$1,428	\$1,287	\$969	\$836	\$790	\$6,459
EBT	\$851	\$2,072	\$1,713	\$2,531	\$1,164	\$960	\$9,291
Bonus Pool (20% EBT)	\$170	\$414	\$343	\$506	\$233	\$192	\$1,858
EBIT	\$681	\$1,658	\$1,370	\$2,025	\$931	\$768	\$7,433
Tax (25%)	\$170	\$414	\$343	\$506	\$233	\$192	\$1,858
MIG Net Income	\$511	\$1,243	\$1,028	\$1,519	\$698	\$576	\$5,575

## Notes to the Financial Statements

The MMP Plan Pro Forma financials have been prepared for a 6 year term, starting at the beginning of 2015 and running through the end of 2020. The P&L and Cash Flow statements are provided as Exhibits to the MDS. Pro forma documents regarding MIG financial operations are also attached as exhibits to this document.

Mr. Moore has been careful to provide conservative estimates and projections for this document. Below are the list of assumptions used for this analysis:

- A. The Starting cash estimates were those used in the JPDS<sup>1</sup>
- B. MMP Revenue is split 80/20 with litigation proceeds taking 80% of the total, due mainly to the expiration of the patents in the near future.
- C. Litigation fees for Agility Law LLP are expected to average 30%. Agility also earns 5% on all MMP licensing revenue
- D. 3<sup>rd</sup> party litigation support fees are expected to be 2.5% of litigation proceeds.
- E. MIG licensing commissions are estimated to be 20% on licensing revenue and 5% on litigation revenue.
- F. MIG will receive a quarterly advance on commissions of \$250,000 from PDS for a total of 3 years.
- G. Direct SG&A expenses for MIG are detailed in the MIG Business Plan attached as an exhibit to this document.
- H. The CoreFlash and Fast Logic portfolios are expected to earn an average of \$3.2 million per year in both licensing and litigation revenue over the 6 year term.
- I. Licensing and litigation expenses are expected to average 30% combined.
- J. A reserve of \$1 million has been included for potential litigation and internal audit of disputed claims or contracts with the Debtor.
- K. TPL combined expenses, not including litigation and licensing expenses noted above, are expected to average \$500,000 per year.
- L. Taxes gradually increase from 22% to 35% over the six year term. Taxes are based on net income before payment to creditors, as it is assumed that many of the expenses have already been expensed for tax purposes in previous years. Mr. Moore is unaware of any possible tax credits that may benefit TPL moving forward.
- M. Administrative Claims are assumed to be \$2 million.
- N. An initial review of the unsecured claims assumes that several of the claims will be disputed, and will be reduced in value. Disputed claims will be the province of the Bankruptcy Trustee alone and not Mr. Moore.
- O. All Class 7 Claims (A, B & C) are assumed to have allowed claims equal to 20% of the current claimed amount.

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<sup>1</sup> See "DISCLOSURE STATEMENT RE: JOINT PLAN OF REORGANIZATION BY OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND DEBTOR", Heinz Binder & Robert Harris, Binder & Malter LLP and John Walshe Murray & Robert Franklin, Dorsey & Whitney LLP, September 17, 2014, Page 76