

# EXHIBIT A

**ONLINE FILING DEMAND FOR ARBITRATION/MEDIATION FORM**

This concludes your filing.

Thank you for submitting your claim to the AAA.

Your claim confirmation number is: 002-OYZ-65S

To institute proceedings, please send a copy of this form and the Arbitration Agreement to the opposing party.

Your dispute has been filed in accordance with: Commercial Dispute Resolution Procedures

This Claim has Been Filed For: Arbitration

Filing Fee: \$3,350.00

**Additional Claim Information**

Claim Amount: \$0.00

Claim Description: Pursuant to §4.2(c) of the Limited Liability Company Operating Agreement of [P-NEW CO.], dated June 7, 2005, Claimant, who is one of two current independent managers of the company, hereby applies to AAA for the appointment of a third independent manager for the company as required by the provisions of the Operating Agreement.

Arbitration Clause: 9.9 Dispute Resolution: . . . The arbitration shall be administered by the AAA. . . .

Hearing Locale Requested: Santa Clara , CA

Contract Date: 06/07/2005

Number of Neutrals: 1

**Claimant**

**Carlton Johnson**

Type of Business: Other

Name: Carlton Johnson

Company Name:

Address: 13560 Morris Rd.  
Suite 1140  
Alpharetta, GA 30004

Tel#: 770-640-8130

Fax#:

Email: carljohnson@roswellcapitalpartners.com

Include in Caption: Individual

**Representatives**

Name: Charles T. Hoge

Company Name: Kirby Noonan Lance & Hoge, LLP

Address: 350 10th Avenue  
Suite 1300  
San Diego, CA 92101

Tel#: 619-231-8666

Fax#: 619-231-9593

Email: choge@knlh.com

**Respondent**

**Daniel Leckrone**

Type of Business: Other

Name: Daniel E. Leckrone

Company Name:

Address: 20883 Stevens Creek Blvd.  
Suite 100  
Cupertino, CA 95014

Tel#: 408-446-4222

Fax#:

Email: sanjose@tplgroup.net

Include in Caption: Individual

**Representatives**

To institute proceedings, please send a copy of this form and the Arbitration Agreement to the opposing party.

Your demand/submission for arbitration/mediation has been received on 01/22/2014 16:14 EST

# EXHIBIT B

AMERICAN ARBITRATION ASSOCIATION  
COMMERCIAL ARBITRATION TRIBUNAL

PATRIOT SCIENTIFIC COR-  
PORATION and CARLTON  
JOHNSON,

Claimants,

v.

Case No. 74-20-1400-0043

TECHNOLOGY PROPERTIES  
LIMITED LLC,

Respondent.

ORDER APPOINTING INDEPENDENT MANAGER AND  
AUTHORIZING PAYMENT OF COSTS OF SELECTION

Claimants have applied to the American Arbitration Association (the "AAA") for the appointment of an Independent Manager to the Management Committee of Phoenix Digital Solutions LLC ("PDS") and for reimbursement of costs advanced to the AAA associated with requesting the selection of the Independent Manager, pursuant to Article 4.2 (c) of the PDS Operating Agreement (initially denominated "Limited Liability Company Operating Agreement for [P-Newco] a Delaware Limited Liability Company") between Claimant Patriot Scientific Corporation ("Patriot") and Respondent Technology Properties Limited Inc. ("TPL") made as of June 7, 2005 ("Operating Agreement"). (Amended Commercial Arbitration Rules Demand for Arbitration dated September 3, 2014)

Pursuant to procedures agreed to at the preliminary hearing held on November 18, 2014 and embodied in the Scheduling Order dated November 18, 2014, Patriot nominated three candidates, and TPL nominated two candidates to be considered for Independent Manager of PDS. Patriot, through its counsel Charles T. Hoge, Esq., nominated Thomas Chaffin, Charles Moore and David Pohl. (Letter, Dec. 2, 2014) TPL, through its Chief Executive Officer Arockiyaswamy Avenkidu, nominated Mark Lemmo and, by email from Javed I. Ellahie, Esq. of Ellahie & Farooqui, LLP at the request of Mr. Venkidu, Thomas Levelle. (Emails, Dec. 5, 2014) Telephonic hearings on the issue of which of the nominated candidates should be appointed as Independent Manager were held on December 10 and 12, 2014. During those telephonic hearings Claimants were represented by Mr. Hoge of Kirby Noonan Lance & Hoge, LLP; TPL was represented by Mr. Avenkidu and by Richard Harris, Esq. of

Binder & Malter. After those telephonic hearings TPL and Patriot submitted further arguments and requests. (Email from Mr. Avenkidu, Dec. 15 and letter from Mr. Hoge, Dec. 16)

After reviewing the nominations and C.V.'s that were submitted, the explanations and arguments regarding each candidate, and hearing and duly considering the objections and additional information supporting, opposing and otherwise regarding the candidates during the two telephonic hearings and contained in the parties' post-hearing submissions, Thomas F. Chaffin is hereby appointed as Independent Manager to the Management Committee of PDS.

The foregoing decision appointing Mr. Chaffin as the Independent Manager of PDS is final as to that issue (appointment of the Independent Manager), and to the extent necessary this Order may be deemed a final award as to that issue. The issue of reimbursement of costs associated with the selection of the Independent Manager by the AAA is not final, but, rather, is reserved as stated below.

With regard to the costs associated with the selection of the Independent Manager by the AAA, Article 4.2(c) of the Operating Agreement states, "All costs associated with the selection of the Independent Manager by the AAA pursuant to this Section 4.2(c) shall be paid by the Company." It is undisputed that "Company" means PDS. However, PDS is not a party to this arbitration. Nevertheless, in order to achieve the result intended by Patriot and TPL in having used the above-quoted language, Patriot and TPL, their Appointees to PDS' Management Committee, and the Independent Manager shall, and are authorized to cause PDS to reimburse Patriot all amounts advanced by Claimants to the AAA for AAA filing and administrative costs and fees and for arbitrator compensation. As of the present date Patriot has paid/advanced to the AAA \$3,350.00 for its filing fee, and has advanced deposits for arbitrator compensation. Arbitrator compensation for services rendered through December 13, 2014 is \$3,757.50. Therefore, the "costs associated with selection of the Independent manager by the AAA" as of the date hereof totals \$7,107.50. TPL, Patriot, their Appointees and the Independent Manager shall, and are authorized to cause PDS to reimburse Patriot in that amount. Patriot shall advise the AAA and the arbitrator when that amount has been reimbursed, at which time this proceeding will be deemed concluded.

Dated: December 16, 2014

*s/Bruce W. Belding*

Bruce W. Belding  
Arbitrator



# EXHIBIT C

FINAL

AMENDED ALLIACENSE SERVICES AND NOVATION AGREEMENT

1. PARTIES

The parties to this Agreement dated July 23, 2014 (the "Agreement"), are Alliacense LLC, a Delaware Limited Liability Company ("Alliacense") and Phoenix Digital Solutions, LLC, a Delaware limited liability company ("PDS"). PDS has two Members, Patriot Scientific Corporation ("PTSC") and Technology Properties LLC ("TPL"). TPL and Alliacense are owned by Daniel E. Lockrone ("Dan Lockrone"). Alliacense is managed by Daniel M. Lockrone ("Mac Lockrone"). PDS is presently managed by two Managers, Swamy Venkidu ("Venkidu") and Carlton Johnson, Jr. ("Johnson"). TPL and Patriot are affected by the provisions related to a second licensing company in section 3(f), below, and so the two of them acknowledge the provisions of that section.

2. RECITALS

This Agreement is made with reference to the following facts

a. Beginning in 2005, PDS and Technology Properties LLC entered and operated under a certain Master Agreement dated June 7, 2005, and at the same time a Commercialization Agreement, providing for commercialization of the Moore Microprocessor Patent portfolio ("MMP") through licensing and litigation ("TPL ComAg"). Alliacense began carrying on many of those responsibilities for TPL.

b. In 2010, disagreements existed between Patriot on the one hand and TPL and Alliacense on the other resulting in litigation captioned *Patriot Scientific Corporation v. Technology Properties, Ltd, et. al.*, Santa Clara Superior Court case No. 110-cv-169836. That litigation settled in 2010 under a settlement agreement between TPL and Patriot. That settlement is not affected by this Agreement ("Patriot/ TPL settlement").

c. TPL sought Chapter 11 bankruptcy protection in the Northern District of California, Case no. 13-51589, on March 20, 2013. Patriot is an unsecured creditor in that bankruptcy related to the Patriot/TPL Settlement. This Agreement does not affect Patriot's claim or that of any other creditor in that bankruptcy.

d. On or about July 7, 2012, PDS, TPL, Patriot and Alliacense entered into new agreements under which Alliacense took on a direct contractual relationship with PDS to pursue commercialization of the MMP and to provide litigation support to Agility IP law ("Agility"), hired to conduct MMP patent infringement litigation. The agreements executed at that time include the Alliacense Services Agreement dated July 7, 2012 ("Services Agreement"). Except as the Services Agreement is affected herein, those agreements are not changed by this Agreement.

e. Under the Services Agreement, the parties have had a number of disagreements about past payments allegedly due Alliacense, what quarterly advances should have been made and whether they are continuing, Alliacense's role in pending and prospective litigation, and whether the MMP licensing program is proceeding effectively. Alliacense has presented

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monetary claims to PDS presently totaling \$2,214,189 based on claims for past services and advances, and has claimed harm from the delay in such payment. This Agreement resolves all of those claims in dispute between the parties.

f. On or about June 13, 2014, Alliacense, PDS and Patriot agreed to terms to resolve disagreements between them and to define Alliacense' role in MMP licensing and litigation going forward. A term sheet in that regard is attached hereto as Exhibit "A". This Agreement is intended to memorialize, clarify and effect the term sheet and communications referenced therein.

g. On or about June 19, 2014, Agility entered into a new fee agreement with PDS providing for ongoing MMP litigation with HTC Corporation, for pending litigation in the Northern District of California with various infringers, for a share of future MMP licensing proceeds on specified terms, and for potential future MMP patent infringement litigation ("Agility Agreement"). This Agreement is intended to reflect consideration of the terms of this new agreement with Agility.

### **3. AGREEMENT**

For good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

#### **a. HTC**

Alliacense has attempted to negotiate an MMP license with HTC without success. It provided litigation support in connection with the HTC trial in Fall 2013. The parties are presently in a negotiation to settle the HTC lawsuit and potentially issue an MMP license, or license with respect to some MMP patents, to HTC. Based on this,

The parties do not contemplate any significant future litigation support from Alliacense as to HTC; if needed, Alliacense will be paid at the hourly rates discussed in paragraph 3(b)(i) below.

Notwithstanding the foregoing, Alliacense shall not be obligated to provide any litigation support services. However, if Alliacense is requested in writing by PDS within no less than ten days advance notice of relevant deadlines, but declines to provide such litigation support services, its total fee, if any, as to HTC, shall be calculated

#### **b. Present Defendants**

Alliacense has provided litigation support to Agility in connection with the unsuccessful ITC proceeding that also benefits Agility's effort in the parallel North District of California actions against Barnes & Noble and others. Alliacense hereby agrees to permit Agility to utilize

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Alliacense intellectual property to pursue the Northern District of California cases currently pending. No fee of any kind is due Alliacense for that past service. If any work is required from Alliacense in support of those cases, it will be compensated in accordance with subparagraph 3(b)(i) only.

With respect to present Defendants, if they do not take on MMP licenses in connection with any settlement, no fee will be earned by Alliacense. If they do take on MMP licenses in connection with a settlement, Alliacense's fee will be calculated as

For further clarification, the gross settlement with a present defendant is considered in the milestones of subparagraphs 3(d)(i), and (d)(ii).

Notwithstanding the foregoing, Alliacense shall not be obligated to provide any litigation support services. However, if Alliacense is requested in writing by PDS within no less than ten days advance notice of relevant deadlines, but declines to provide such litigation support services, its total fee, if any, shall be calculated on the

**(i) Alliacense litigation support**

Alliacense will be compensated on an hourly basis on its Standard Rates previously set forth in Alliacense's May 18, 2011 memorandum (TPL 11-003780) attached as Exhibit C. Such support will be provided only as requested by Agility, and further, the fees will be estimated in advance by Alliacense and approved by PDS before they are incurred. Under Agility's fee arrangement with PDS, Alliacense's fees are not costs of the Program, but the parties anticipate that if another litigation firm is retained for MMP patent infringement litigations, then Alliacense's fee will be a cost borne by that law firm and not by PDS, meaning that Alliacense's compensation from that law firm for litigation support will be decided as between Alliacense and that law firm. In no event will Alliacense charge for more than litigation support personnel (this sentence replacing the Headcount provision of Ex. B, part IV(B) of the Services Agreement). The detail and support for such billing will be subject to the same industry custom and practice as in the legal industry.

**(ii) Negotiations**

Agility will lead the negotiations with the present Defendants working in conjunction with Mike Davis and take its instructions from PDS, but Agility and will consult and coordinate with each other in the best interests of the MMP Program. Agility may decide that it is more appropriate in certain circumstances for to lead or conduct a negotiation. PDS will execute all MMP licenses.

**c. Future Defendants**

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Alliacense's compensation and role with respect to future litigation defendants shall be determined provided that Alliacense continues to participate in licensing negotiations and activities as to such Defendants in cooperation with Agility (or other counsel).

Alliacense will make available its claim charts and license negotiation files to outside counsel as needed (subject to preservation of confidentiality).

**d. Future MMP licensing (Non-Defendants)**

The "Licensing Services Fee" of the Services Agreement at 3.1.1 ("Licensing Services Fee").

For illustrative purposes see additional examples set forth in Exhibit B.

Any

, are excluded from the milestone calculations of this paragraph 3(d). As for installment payments, no future installment will be deemed received and the Alliacense Licensing Services Fee will be determined when future installments are received as though a new license had been written.

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The provision of advances set forth in the Services Agreement at paragraph 3.2 is terminated. No such advances will be provided.

The licenses written by another licensing company under paragraph 3(f) will not be credited toward Alliacense's Licensing Services Fee or affect the milestones.

**(i) Dry period**

A period of \_\_\_\_\_ days or more without receipt by PDS of \_\_\_\_\_ or more in MMP license proceeds from Alliacense's licensing activities will restart the \_\_\_\_\_ % Licensing Services Fee, and licenses paid before the restart date will not be counted towards the cumulative amounts and Licensing Services Fee. Beginning \_\_\_\_\_, the figure of the preceding sentence will be \_\_\_\_\_.

**(ii) One year milestone**

This Agreement is subject to termination on written notice from PDS, if during any period beginning on or after the date of this Agreement, PDS fails to receive at least \_\_\_\_\_ from litigation and non-litigation MMP licensing by Alliacense. The exception to the foregoing is that \_\_\_\_\_.

**(iii) Mixed licenses**

Alliacense will not negotiate MMP and non-MMP licenses at the same time or in conjunction with each other, and neither at the expense of each other. No MMP license will be written without PDS's consent, and no such mixed license will be written without its advance written consent. Alliacense will keep PDS apprised on a weekly basis of all MMP negotiations as well as negotiations of non-MMP prospective licenses (subject to preservation of confidentiality) with any potential licensee who has been approached during the previous year for an MMP license. If asked by prospective licensees to bundle licenses or negotiate IP portfolios together, Alliacense will indicate to such prospective licensees that it has a responsibility to its client(s) not to do so. A violation of this provision will be grounds for termination by PDS.

**(iv) Alliacense Contact**

\_\_\_\_\_ will be the point of contact with PDS and Agility and will be in charge of MMP licensing. If \_\_\_\_\_ leaves Alliacense's employ, the replacement by Alliacense must a) possess skills and experience acceptable to PDS, b) be unaffiliated with the current ownership of either TPL or Alliacense, and c) be promptly identified and retained by Alliacense so as to avoid any potential interruption to the licensing program. Each of these conditions must be met in order for the continuation of the Services Agreement. (This replaces paragraph 2.3 of the Services Agreement.)

**(v) Licensing Activities**

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For sake of clarity, Alliacense licensing duties and responsibilities under the Alliacense Services Agreement include, but are not limited to the following:

- 1) Define and develop worldwide licensing strategies;
- 2) Study patent coverage for specific products;
- 3) Develop claim charts to support Licensing Activities, but not litigation activities, provided however that PDS shall be responsible for the cost of acquiring the products of prospective licensees for the purpose of analyzing such products to create claim charts, but only to the extent PDS has provided written authorization for such acquisitions;
- 4) Coordinate and manage licensing duties with outside legal counsel;
- 5) Coordinate with legal counsel licensing data needs in patent litigation;
- 6) Review and assess potential licensee candidates;
- 7) Evaluate marketability of patents;
- 8) Maintain and manage database of licensees relating to all MMP patent procedures and processes;
- 9) Assist PDS with compliance of local, state and federal reporting relating to patent issues;
- 10) Review patent issues in mergers and acquisitions; and
- 11) Perform other duties, as reasonably requested by Patent owner and agreed to by Alliacense.

Notwithstanding the foregoing, Alliacense shall not be obligated to provide any litigation support services. However, if Alliacense is requested in writing by PDS within no less than ten days advance notice of relevant deadlines, but declines to provide such litigation support services, its total fee, if any, shall be calculated

**e. Past Alliacense claims**

With respect to the past sums in dispute totaling \$2,214,189, that will be resolved by payment to Alliacense of \$623,000. Of that amount, \$300,000 was paid in November 2013 and another \$161,500 was paid on June 20, 2014. The remaining balance, \$161,500, will be paid by PDS within 2 business days of the parties' execution of this Agreement, including the acknowledgements of paragraph 3(f).

**f. Patriot Licensing Company**

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To reinvigorate the MMP Program, the parties agree that Alliacense will be the exclusive licensor as to approximately half of the universe of prospective licensees, and one or more other licensing companies as to the balance. The licensing companies will not be in competition and it is in their interests and that of the MMP Program for all licensing to achieve its maximum potential.

The licensing companies will coordinate their efforts in the best interests of the MMP Program.

**(i) Dividing the universe of MMP licensees**

Alliacense shall, once Patriot identifies as a second licensing company on terms approved by Patriot,

This group shall be the "Group 1 Designees". The other list, shall be called "Group 2 Designees". Alliacense represents and warrants that all companies or entities known to Alliacense as infringing, or potentially infringing, on any of the MMP patents, or which are otherwise candidates or potential candidates for licensing some or all of the patents within the MMP Portfolio, are included in either the Group 1 or Group 2 Designee listings.

(ii) Patriot will arrange for PDS to enter into a Commercialization Agreement with another licensing company ("Patriot Licensing Company") on terms determined by Patriot.

(iii) Alliacense shall provide all of its "Work" related to the Group 1 Designees to Patriot to provide to the other licensing company under a Non-Disclosure Agreement. Such Work shall include, but not be limited to, all intellectual property and all data including research and analysis, both technical and economic, notice letters, all correspondence or notes of communications, including those with Group 1 Designees, their representatives or legal counsel, the USPTO and any other regulatory bodies foreign and domestic, support for asserted positions, claim charts, file wrappers, briefing documents, position papers, etc. In exchange for providing this information, PDS shall compensate Alliacense 1% of the gross proceeds from any Group 1 Designee so long as a) all or a significant portion of the aforementioned items constituting Work had been provided, and b) except that the fee of litigation counsel (but not third party costs) comes off the top of the gross proceeds for purposes of calculating Alliacense's fee. This 1% fee will no longer be due and payable on any amounts received after two years from the date of this Agreement.

(iv) In addition to the present Defendants which are excluded from the preparation of the two listings described in section 3.f.(i) above, Alliacense may also exclude up to three (3) entities for which substantive, on-going, current and demonstrable bona fide negotiations have been in process up through, and as of, the date of this Agreement. Alliacense shall disclose to Patriot the names of these three entities immediately upon notification by Patriot that a second licensing company has been identified. Alliacense shall retain the right to market the MMP Portfolio to these entities for licensure for a period of 150 days after the execution of

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this Agreement. After the 150 day period, the right to market to these three entities (or any of the three that remain unlicensed) shall be allocated between Alliacense and the Patriot Licensing Company, with the Patriot Licensing Company allowed the first selection, Alliacense the second selection, and Patriot the third selection.

**g. Other Changes to July 2012 Alliacense Services Agreement**

(i) Alliacense is not due a Licensing Services Fee.  
It will be entitled to a / Licensing Services Fee when and if paid.  
The percentage does not change based on other licensing activities.

(ii) **No quarterly advances.** The parties have discontinued the practice of quarterly advances provided in the Alliacense Service Agreement.

(iii) **Compensation Provision.** The compensation provisions of paragraph 3 of the Services Agreement are superseded by this Agreement.

(iv) **Litigation Support Projects.** These projects have ended.

**4. MISCELLANEOUS**

a. Payments to Alliacense shall be due and payable (i) within ten business days of receipt of Recovery by PDS, for payments based on Recovery, and (ii) within thirty business days of PDS' receipt of an Alliacense invoice for payments based on hourly billing. The gross amount of all payments due Alliacense hereunder shall be paid in US dollars on or before the due date in "same day" funds by wire transfer pursuant to the table below (or to such other account as Alliacense may designate at any time):

Account Name
Account #
Bank Name
ABA / Routing #
SWIFT

Interest is due on all late payments (greater than 30 days) except amounts disputed in good faith, and will be calculated on the unpaid balance at 2% above the then valid 3-month London Interbank Offered Rate until paid.

**b. Dispute Resolution**

(i) The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy. Any party may give the other party written notice of any dispute not

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resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place.

(ii) Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired.

(iii) All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

(iv) At no time prior to the First Meeting shall either side initiate an arbitration or litigation related to this Agreement except to pursue a provisional remedy that is authorized by law or by the Judicial Arbitration and Mediation ("JAMS") Rules or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Paragraph 1 above.

(v) All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Paragraphs 1 and 2 above are pending and for 45 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling.

(vi) Either party may then commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.

(vii) The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.

(viii) All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

(ix) If the matter is not resolved by negotiation pursuant to paragraphs (i)-(viii) above, the parties agree that any and all disputes, claims or controversies arising out of or

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relating to this Agreement shall be submitted to JAMS, or its successor, for final and binding arbitration pursuant to the clause set forth in subparagraphs (x)-(xiii) below.

(x) Either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or at any time following 45 days from the date of filing the written request for mediation, whichever occurs first. The mediation may continue after the commencement of arbitration if the parties so desire.

(xi) The arbitration is to be conducted by a sole arbitrator. The arbitrator shall be a retired judge affiliated with JAMS or its successor.

(xii) The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in California. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

(xiii) The arbitration shall take place in San Jose, California.

(xiv) This section supersedes the Dispute Resolution provision of the Services Agreement.

c. **Mutual Release.** Effective as of the Effective Date, Alliacense, LLC and its agents, attorneys, employees, spouse, predecessors, successors, heirs and assigns of each of the foregoing (collectively, the "Alliacense Parties"), on the one hand, and Phoenix Digital Solutions ("PDS"), and Patriot Scientific Corporation ("Patriot"), on the other hand, hereby release and forever discharge each other, and each of their respective past and present agents, managers, members, affiliates, attorneys, directors, officers, employees, insurers, predecessors, successors, heirs and assigns from any and all claims, demands, controversies, actions, causes of action, suits, proceedings, obligations, liabilities, fines, penalties, costs, expenses, attorneys' fees, and damages arising out of their past dealings with each other including but not limited to under the Alliacense Services Agreement dated July 7, 2012.

It is the Parties' intention that the foregoing release shall be effective as a bar to all matters released herein. In furtherance, and not in limitation of such intention, the release described herein shall remain in effect as a full and complete release, notwithstanding the discovery or existence of any additional information or different facts or claims. To further effectuate this intention, the Parties hereby waive their rights under California Civil Code section 1542, and any statute, rule, or legal doctrine similar to California Civil Code section 1542. Section 1542 provides as follows:

A GENERAL RELEASE DOES EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

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In waiving the provisions of California Civil Code section 1542, the Parties acknowledge that they may hereafter discover facts in addition to or different from those which they now believe to be true with respect to the matters released herein, but agree that they have taken that possibility into account in reaching this Agreement, and that the release given here shall remain in effect as a full and complete release notwithstanding the discovery or existence of such additional or different facts, as to which the Parties expressly assume the risk.

d. **Consideration Acknowledged.** The Parties acknowledge that the provisions and faithful performance of this Agreement provide mutually sufficient consideration for any and all rights, duties, or obligations created herein.

e. **Notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and may be served by both facsimile and a nationally recognized overnight courier service or by hand delivery and shall be deemed to have been given: (a) if delivered in person, when delivered or (b) if delivered by facsimile and overnight courier service, on the date of transmission, upon confirmation of such facsimile, if transmitted on a business day before 5:00 p.m., Pacific Time, or if not, on the next succeeding business day. Notices shall be addressed to the Parties at the following addresses:

Notice to Alliacense:

Alliacense Limited LLC  
c/o Mac Leckrone, President  
20883 Stevens Creek Boulevard  
Suite 100  
Cupertino, CA 95014

Notice to Patriot:

Patriot Scientific Corp.  
c/o Clifford Flowers  
701 Palomar Airport Road, Suite 170  
Carlsbad, CA 92011

Notice to PDS:

Carlton Johnson, Jr., Manager  
c/o Patriot Scientific Corp.  
701 Palomar Airport Road, Suite 170  
Carlsbad, CA 92011

Arockiyaswamy Venkidu, Manager  
c/o Patriot Scientific Corp.  
701 Palomar Airport Road, Suite 170  
Carlsbad, CA 92011

Notice to Counsel for Patriot:

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Charles T. Hoge, Esq.  
Kirby Noonan Lance & Hoge, LLP  
350 Tenth Avenue, Suite 1300  
San Diego, CA 92101-8700

f. **Warranties.** All Parties warrant and represent that they have not assigned the claims being released herein to third parties.

g. **Entire Agreement.** This Agreement embodies the final, entire agreement between the Parties hereto and except as otherwise provided herein, supersedes any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the Parties hereto. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the Parties.

h. **Successors and Assigns.** This Agreement shall be for the benefit of and binding upon the Parties and their respective representatives, successors and assigns.

i. **Representations.** Each Party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each Party, after having a reasonable opportunity to retain and confer with counsel. The Parties enter into this Agreement after a full investigation, and the parties are not relying upon any statements or representations not embodied in this Agreement.

j. **Capacity and Authority.** The Parties each represent and warrant that they have the power, authority, and capacity to enter into this Agreement and that this Agreement is valid, binding, and enforceable upon them.

k. **Severability.** Should any portion or clause of this Agreement be found to be invalid, illegal, void, voidable or unenforceable for any reason whatsoever, this Agreement shall be read as if it did not contain said portion or clause. The Parties intend for any such invalid portion or clause to be severable from the remainder. Any such clause or portion and its severance shall not affect the validity or effect of the remaining provisions of the Agreement.

l. **Section Headings.** The captions, subject, section and paragraph headings in this Agreement are included for convenience and reference only. They do not form a part hereof, and do not in any way modify, interpret or reflect the intent of the Parties. Said headings shall not be used to construe or interpret any provision of this Agreement.

m. **Modifications.** No change in, addition to or erasure of a printed portion of this Agreement shall be valid or binding and no verbal Agreement of any nature relating to the subject matter of this Agreement or to any relationship between the parties will be considered valid or enforceable. This Agreement may not be superseded, modified or amended orally and no modification, waiver or amendment shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

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*AN*

*7/24/14* *7/23/14*

FINAL

n. **No Presumption Against Drafting Party.** This Agreement and the provisions contained herein shall not be construed or interpreted for or against any party because said party drafted or caused the Party's legal representative to draft any of these provisions. This Agreement shall be construed without reference to the identity of the Party or Parties preparing the same, it being expressly understood and agreed that the Parties participated equally or had equal opportunity in the drafting thereof. The parties understand that the Agreement has been drafted for convenience by counsel for Patriot because PDS is not represented and because Alliacense is owned and managed by counsel.

o. **Parties in Interest.** Except as provided in the general release provisions of this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or arising by reason of this Agreement on any persons other than the Parties and their respective successors and permitted assignees. Other than as described in the general release above, nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third person to any Party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any Party.

p. **California Law.** This Agreement shall be construed and enforced in accordance with California law.

q. **Execution Via Facsimile and in Counterparts.** This Agreement can be executed in counterparts and signatures sent via facsimile will be treated as original signatures.

## 5. SIGNATURES

Phoenix Digital Solutions, LLC

By: 

Azocklyaswamy Venkudu, Manager

7/24/14

By: 

Carlton Johnson, Jr., Manager

7/24/14

Alliacense, LLC

By: 

Mac Leekrohn, President

7/23/14

Agreed to as to the Other Licensing Company provisions of section 3(f):

**FINAL**

Technology Properties Limited

By: Dan Leckrone, Managing Member

Patriot Scientific Corporation

By: Clifford Howers, Interim CEO and  
Chief Financial Officer

Agreed to procedurally:

Binder & Malter, LLP

By: Heinz Binder, Esq.  
Attorneys for Technology Properties  
Limited (in the TPL bankruptcy)

*Ameliasburg. 7/24/14*

*CMJ  
7/24/14*

*[Signature]  
7/24/14*

*AG*

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FINAL

Exhibit A- Term Sheet

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*RMJ*  
*7/24/14*

*AB*  
*DOH*  
*7/25/14*

FINAL

Exhibit B- Illustrative Example

Assume  
License Proceeds  
Received on:

License Amount

Cumulative

Compare to Term Sheet

Initials:  
Venkudu  
Johnson  
Mac Leckrone

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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*[Handwritten signature]*  
7/24/14

*[Handwritten signature]*  
7/23/14

*[Handwritten signature]*

FINAL

Exhibit C- Alliacense Standard Rates

TPL - CONFIDENTIAL  
OGC-TPL NDA DTD  
USBC CH 11 NO. 13-51589

Rate Schedule 11-14

Position	Pay Grade	Market Rate	Standard Rate
Admin	Admin		
Business Analysis	Business Analysis 1 Business Analysis 2		
Executive	Executive		
IP Analysis	IP Analysis 1		
IP Legal	Admin Executive IP Legal 1 IP Legal 2 IP Legal 3		
Reverse Engineering	IP Analysis Reverse Engineering		
Sales	Sales		
Systems	Systems		
Technical Experts	IP Legal 2 Technical Experts		

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17

RMJ  
7/24/14

AR  
7/23/14

# EXHIBIT D

---

**From:** Gmail-Avenkidu <[avenkidu@gmail.com](mailto:avenkidu@gmail.com)>  
**Date:** Friday, September 26, 2014 at 10:03 AM  
**To:** Carlton Johnson <[carltonjohnson@comcast.net](mailto:carltonjohnson@comcast.net)>  
**Cc:** Clifford Flowers <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)>, Gloria Felcyn <[felcyn@gmail.com](mailto:felcyn@gmail.com)>  
**Subject:** RE: Pending Letter

Carl,

I was informed of Cliff's letter to Mac Leckrone mentioning that I am not in a position to discuss the selection of a second licensing company due to Dan Leckrone's interference.

Hope Patriot is not taking it literally that my decision is strictly based on Dan's concern. It is my intention to act in the best interest of PDS including TPL creditors in managing affairs of PDS and TPL and will continue to reach out to all concerned parties for the assistance and advice. Just to be clear, no one including Dan Leckrone controlling my decision making.

To be safe, PDS not being a Law firm, should get an expert advice in this critical decision. I suggest to have an independent counsel's advice as a final and move on.

Recommended, John Steele a prominent attorney who specializes in ethics issues. His contact information is below:

[http://www.johnsteelelaw.com/John\\_Steele\\_Law/Welcome.html](http://www.johnsteelelaw.com/John_Steele_Law/Welcome.html)

If you have someone else in your mind, please let us get his advice and we can get this second license company appointed. I don't want to cause any delays.

Also, dividing the universe for the second licensing company is not an issue which I can take it up as soon as we appoint the Second licensing firm.

Let me know.

Regards,  
Swamy

# EXHIBIT E

September 22, 2014

Mac Leckrone  
President  
Alliacense Limited LLC  
4880 Stevens Creek Boulevard  
Suite 103  
San Jose, CA 95129

**Re: Amended Alliacense Services and Novation Agreement ("Agreement") –  
Notice to Prepare Lists**

Dear Mr. Leckrone,

The referenced Agreement between Phoenix Digital Solutions LLC ("PDS") and Alliacense LLC ("Alliacense") at paragraph 3(f)(i) provides for Alliacense to prepare two lists of prospective MMP licensees on request of Patriot Scientific Corporation ("Patriot"). Patriot requests that Alliacense prepare the lists.

Very truly yours,

  
Clifford Flowers, CEO  
Patriot Scientific Corporation

cc Carl Johnson  
cc Gloria Felcyn  
cc Charles T. Hoge, esq.

701 Palomar Airport Road, Suite 170 • Carlsbad, CA 92011-1045  
Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

Mr. Cliff Flowers  
14 October 2014  
Page 2 of 2

Sincerely,

A handwritten signature in black ink, appearing to read "Mac Leckrone", written in a cursive style.

Mac Leckrone

cc: Mike Davis, Alliacense

# EXHIBIT F



4880 Stevens Creek Blvd., Suite 103  
Cupertino, CA 95129 USA  
tel +1 408-446-4222  
fax +1 408-446-5444

14 October 2014

Cliff Flowers, CEO  
701 Palomar Airport Road, Suite 170  
Carlsbad, CA 92011-1045

RE: Patriot's Letter of 22 SEP 14

Cliff,

We are in receipt of your letter dated September 22, 2014.

We have been working toward preparation of the lists and, as you know, Alliacense SVP Mike Davis, has been meeting with you weekly to address issues related to the Amended Services Agreement. Alliacense has not been advised that a second licensing company has been engaged. Under the Agreement, the lists are to be prepared once the second licensing company has been engaged. Changing this provision in the Agreement has not been discussed at the weekly meetings with Mike Davis, nor has there been any mention of the preparation of the lists in those meetings.

We are, however, willing to prepare the lists even in light of the fact that the second licensing company has not been engaged as required by the Agreement.

We believe it would be very useful for the weekly meetings with Mike Davis to include all issues related to the Services Agreement so that Alliacense and Patriot are jointly working toward the same goals. Had Mike (or I) been advised that the second licensing company had been engaged, the lists would have already been prepared. Patriot requested that Mike Davis be its sole point of contact at Alliacense, and Alliacense obliged. Patriot's recent letters to me addressing issues outside of those meetings, with no follow-up either at the meetings or otherwise, causes significant confusion and makes it difficult for us to service your needs – particularly when ad hoc changes are demanded in the Agreement without any discussion.

Mr. Cliff Flowers  
14 October 2014  
Page 2 of 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Mac Leckrone". The signature is written in dark ink on a light background.

Mac Leckrone

cc: Mike Davis, Aliacense

# EXHIBIT G

October 15, 2014

Mac Leckrone  
President  
Alliacense Limited LLC  
4880 Stevens Creek Boulevard  
Suite 103  
San Jose, CA 95129

**Re: Alliacense October 14, 2014 Response to Patriot's Notice to Prepare Lists**

Dear Mr. Leckrone,

I am in receipt of your letter of October 14, 2014 in which you indicate Alliacense is in the process of preparing the two lists of prospective MMP Portfolio™ licensees pursuant to our September 22, 2014 request. Please advise us immediately as to when the lists will be made available to us given it has been in excess of three weeks since our request.

While I appreciate having heard from you on this matter there were several aspects to your October 14 letter that I feel compelled to address for the record.

1. Mike Davis has not met with me on a weekly basis. The last time I spoke with Mike Davis was on August 21, 2014, with other members of the Official Committee of Unsecured Creditors in regards to matters pertaining to the bankruptcy proceedings of TPL. Neither matters pertaining to the Amended Alliacense Services and Novation Agreement (Services Agreement), nor the MMP Portfolio, were discussed.
2. Mike has met periodically with the PDS Management Committee, however the focus of those meetings has been on the status of the HTC negotiations, and *not* issues related to the Services Agreement as you indicate.

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Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

3. Formal notice regarding the preparation of the lists was directed to you, and not Mike Davis, to comply with the notice provision of the Services Agreement, item 4. e. However, we are aware that immediately subsequent to our notice to you that Mike Davis discussed the matter with Carlton Johnson, Patriot's representative to PDS.
4. Alliacense's obligation to prepare the two lists is enumerated in paragraph 3(f)(i) of the Services Agreement which reads: "Alliacense shall, once Patriot identifies a second licensing company on terms approved by Patriot, list all prospective MMP licensing entities (except the present Defendants) by anticipated relevant revenues, industry segment and licensing prospects..."
  - a. Nowhere in the Services Agreement does it stipulate that Patriot was required to first "engage" a second licensing company prior to requesting the lists as you have asserted; the term is "identify".
  - b. While the identification of a second licensing company was a prerequisite to Patriot's requesting the lists, my notice to you on September 22 was the only notice required to you in order for Alliacense to generate the lists. Your letter implies that the delay of three weeks between September 22 and your letter response of yesterday is explained by Alliacense not having specific, additional notice that a second licensing company had been engaged. This is not a requirement of the Services Agreement, and therefore the implication is incorrect.
  - c. Your letter states that our requesting the two lists without first "engaging" a second licensing company represents a change to the Services Agreement. It clearly does not.
5. Your letter closes with a full paragraph (roughly one-half the contents of your letter) devoted to asserting that our notice to you somehow caused confusion, was inappropriate, and representative of an ad hoc change to the Services Agreement. While I am in no position to

comment on Alliacense's process for handling formal, contractual notice matters, as I have explained above, our September 22 letter to you was in full compliance with the notice provision of the Services Agreement.

I trust you can see why I am concerned that Alliacense may not intend to comply fully with all of the Services Agreement paragraph 3 (f) terms given your delayed response and the reasons set forth in your letter.

Nevertheless, in the event you truly misunderstood the requirements of the Services Agreement, I trust I have been able to make them clear and I look forward to a cooperative working relationship as we seek to revitalize the MMP licensing program.

Very truly yours,



Clifford Flowers, CEO  
Patriot Scientific Corporation

cc Carl Johnson  
cc Gloria Felcyn  
cc Charles T. Hoge, esq

# EXHIBIT H

October 20, 2014

Mac Leckrone  
President

*via e-mail and overnight letter*

Alliacense Limited LLC  
4880 Stevens Creek Boulevard  
Suite 103  
San Jose, CA 95129

**Re: Amended Alliacense Services and Novation Agreement ("Agreement") –  
Notice of Breach**

Dear Mr. Leckrone,

On September 22, 2014, Patriot provided you with notice requesting that Alliacense prepare the two lists of prospective MMP licensing entities as required by paragraph 3(f)(i) of the above referenced Agreement. On October 15, 2014, Patriot requested immediate notification of when the lists would be made available.

As of this date we have not received the lists or any indication of when they will be made available.

Patriot is an intended beneficiary of the Agreement. This is notice that the failure to provide the two lists places Alliacense in breach of the Agreement. In the event Patriot is not provided with the two lists by close of business on Wednesday, October 22, 2014, Dominion Harbor Group will be instructed to approach the full universe of potential licensees to the MMP Portfolio. I believe this to be a sub-optimal course as compared to having Alliacense's full cooperation as called for by the Agreement. However, because of Alliacense's delay, which at this point can only be construed as deliberate, we are left with no alternative.

701 Palomar Airport Road, Suite 170 • Carlsbad, CA 92011-1045  
Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

Very truly yours,



Clifford Flowers, CEO  
Patriot Scientific Corporation

cc Carl Johnson  
cc Gloria Felcyn  
cc Charles T. Hoge, esq  
cc Mike Davis, Alliacense

701 Palomar Airport Road, Suite 170 • Carlsbad, CA 92011-1045  
Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

# EXHIBIT I

---

**From:** Clifford Flowers <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)>

**Date:** Friday, October 24, 2014 at 4:21 PM

**To:** Mike Davis <[mike@alliacense.com](mailto:mike@alliacense.com)>

**Cc:** Mac Leckrone <[mac@alliacense.com](mailto:mac@alliacense.com)>, Carlton Johnson <[carltonjohnson@comcast.net](mailto:carltonjohnson@comcast.net)>, Gloria Felcyn <[felcyng@gmail.com](mailto:felcyng@gmail.com)>, Swamy Venkidu <[avenkidu@gmail.com](mailto:avenkidu@gmail.com)>

**Subject:** Re: Breach Notice

Mike,

I'm looking forward to your response before the close of business today. I know you appreciate the urgency of this matter and will follow through today as promised.

Thanks,  
Cliff

---

**From:** Clifford Flowers <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)>

**Date:** Wednesday, October 22, 2014 at 10:34 AM

**To:** Mike Davis <mike@alliacense.com>

**Cc:** Mac Leckrone <mac@alliacense.com>, Carlton Johnson <carltonjohnson@comcast.net>, Gloria Felcyn <felcyn@gmail.com>, Swamy Venkidu <avenkidu@gmail.com>

**Subject:** Re: Breach Notice

Mike,

Thanks for your acknowledgement. We have, I believe, agreed to a process to cure the Alliacense breach noticed by me in my letter of October 20th. We will hold in abeyance the next step to be taken by us (that being the deploying of Dominion Harbor to the full universe of potential MMP licensees) as long as the cure process moves forward and concludes as we discussed and as outlined in my e-mail to you of last night. With that accomplished, I hope and expect that all parties to the Novation Agreement will abide by its terms going forward.

I know it was late in the day yesterday for both of us and maybe an element of fatigue contributed to a slight disconnect for me from what I thought we had agreed to do. I thought we discussed that you would get back to me on Thursday regarding the timing for items a) and b). However, I see from your e-mail below that you understand it to be Friday. I appreciate that you are on the road with a full schedule and I'll acknowledge that Friday is acceptable.

I will act with the understanding that you are in agreement with everything else as outlined in my e-mail of last night. If this is incorrect, please let me know before the close of business today. I don't expect there to be any issues or ambiguity as to what we've agreed to which is important for us in order to withhold any immediate action in response to the breach.

Thank you again Mike, for your assistance. I remain very encouraged by our conversation of last night and look forward to our getting these matters resolved.

Regards,  
Cliff

---

**From:** Mike Davis <mike@alliacense.com>

**Date:** Wednesday, October 22, 2014 at 5:31 AM

**To:** Clifford Flowers <cflowers@ptsc.com>

**Cc:** Mac Leckrone <mac@alliacense.com>, Carlton Johnson <carltonjohnson@comcast.net>, Gloria Felcyn <felcyn@gmail.com>, Swamy Venkidu <avenkidu@gmail.com>

**Subject:** Re: Breach Notice

Cliff,

Thanks for your note, receipt confirmed.

As I explained on the phone, I have a series of court ordered mediations and meetings on the east coast this week and it's difficult for me to make much progress until I return to the office. I can respond to your request when I return this Friday.

Its in the interest of everyone involved to make this work and I will do everything I can to make that happen on our end. I'm still a little concerned by your letter from the other day and would like to hear from you and Carl regarding PTSC's intentions to continue to honor the terms of the agmt going forward.

Regards,  
Mike

On Oct 21, 2014, at 9:00 PM, "Clifford Flowers" <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)> wrote:

Mike,

I very much appreciate having received your call this evening. As promised, I am recapping the next steps we've agreed to as follows:

By tomorrow, you will acknowledge your receipt of this e-mail and by doing so agree that by close of business on Thursday, October 23, you will advise me of the date for which item a) below will be provided to Patriot. Also you will advise me of the period of time after which Patriot makes its selection, when item b) below will be provided. The expectation is that you will offer a date for item a) that falls within next week, and likewise a quick turnaround timeframe for item b) once that step is reached. The language for items a) and b) I have excerpted from the July 2014 Novation agreement below for your convenience so that you can see the full description of all the information that needs to accompany each item.

I agree that proceeding as called for by the Novation is in the best interests of the MMP licensing program, and I look forward to getting that back on track with you. I reiterate my appreciation for your working to accomplish this.

Sincerely,  
Cliff

#### **Novation Excerpts**

Item a)

(i) **Dividing the universe of MMP licensees**

Alliacense shall, once Patriot identifies as a second licensing company on terms approved by Patriot, list all prospective MMP licensing entities (except the present Defendants) by anticipated relevant revenue, industry segment and licensing

prospects, and divide them into two lists such that Alliacense is indifferent between the two lists as to which collection of prospective licensees it would prefer pursuing. In turn, Patriot and whatever consultant it may choose (subject to a Non-Disclosure Agreement) shall select one of the lists within 30 days after it is provided by Alliacense. This group shall be the "Group 1 Designees". The other list, which shall be the Alliacense group, shall be called "Group 2 Designees". Alliacense represents and warrants that all companies or entities known to Alliacense as infringing, or potentially infringing, on any of the MMP patents, or which are otherwise candidates or potential candidates for licensing some or all of the patents within the MMP Portfolio, are included in either the Group 1 or Group 2 Designee listings.

Item b)

(iii) Alliacense shall provide all of its "Work" related to the Group 1 Designees to Patriot to provide to the other licensing company under a Non-Disclosure Agreement. Such Work shall include, but not be limited to, all intellectual property and all data including research and analysis, both technical and economic, notice letters, all correspondence or notes of communications, including those with Group 1 Designees, their representatives or legal counsel, the USPTO and any other regulatory bodies foreign and domestic, support for asserted positions, claim charts, file wrappers, briefing documents, position papers, etc. In exchange for providing this information, PDS shall compensate Alliacense 1% of the gross proceeds from any Group 1 Designee so long as a) all or a significant portion of the aforementioned items constituting Work had been provided, and b) except that the fee of litigation counsel (but not third party costs) comes off the top of the gross proceeds for purposes of calculating Alliacense's fee. This 1% fee will no longer be due and payable on any amounts received after two years from the date of this Agreement.

On 10/20/14, 6:39 PM, "Clifford Flowers" <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)> wrote:

Mike- we can speak at your convenience, maybe best you suggest a time to lock it in. Hopefully Alliacense can provide the lists before action is taken.

Thanks,  
Cliff

On 10/20/14, 6:04 PM, "Mike Davis" <[mike@alliacense.com](mailto:mike@alliacense.com)> wrote:

Cliff -

Suggest you hold off until we can talk. I'm on the east coast this week, but have some time to discuss tomorrow by phone. Tomorrow afternoon would be best for me.

Thanks,  
Mike

On Oct 20, 2014, at 7:30 PM, "Clifford Flowers" <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)> wrote:

Dear Yasuko,

Please find attached a letter from me to Mr. Mac Leckrone. I have copied him hereon but also also request your assistance to ensure he receives it.

Sincerely,

Cliff Flowers

Clifford Flowers

Patriot Scientific Corporation

701 Palomar Airport Rd.

Ste. 170

Carlsbad, CA 92011-1045

Phone: 760 547-2700

[cflowers@ptsc.com](mailto:cflowers@ptsc.com)<<mailto:cflowers@ptsc.com>>

[www.ptsc.com](http://www.ptsc.com)<<http://www.ptsc.com/>>

Note: This communication is intended to be confidential to the person addressed and is subject to protection under laws of copyright and the Electronic Communications Privacy Act. If you are not the intended recipient or the agent of the intended recipient or if you are unable to deliver this communication to the intended recipient, please do not copy or use this communication or show or disseminate it to any other person, but delete it from your system and notify the sender immediately by telephone at (760) 547-2700. Any applicable legal privilege is reserved and not waived by sending this communication.

From: Yasuko Nakagami-Sher

<[Yasuko@Alliacense.com](mailto:Yasuko@Alliacense.com)<<mailto:Yasuko@Alliacense.com>>>

Date: Tuesday, October 14, 2014 at 10:54 AM

To: Clifford Flowers <[cflowers@ptsc.com](mailto:cflowers@ptsc.com)<<mailto:cflowers@ptsc.com>>>

Cc: Mac Leckrone <[mac@alliacense.com](mailto:mac@alliacense.com)<<mailto:mac@alliacense.com>>>, Mike Davis <[mike@alliacense.com](mailto:mike@alliacense.com)<<mailto:mike@alliacense.com>>>

Subject: Patriot's Letter of 22 SEP 14

Dear Mr. Flowers,

Please see attached letter from Mr. Leckrone.

Sincerely,

Yasuko Nakagami-Sher

License Coordinator

Alliacense

4880 Stevens Creek Blvd., Ste 103

San Jose, CA 95129

Tel: +1-(408).886.5404

learn more @: <http://www.alliacense.com><<http://www.alliacense.com/>>

<Notice Alliacense List Breach.pdf>

# EXHIBIT J



October 20, 2014

Mac Leckrone  
President

*via e-mail and overnight letter*

Alliacense Limited LLC  
4880 Stevens Creek Boulevard  
Suite 103  
San Jose, CA 95129

**Re: Amended Alliacense Services and Novation Agreement ("Agreement") –  
Notice of Breach**

Dear Mr. Leckrone,

On September 22, 2014, Patriot provided you with notice requesting that Alliacense prepare the two lists of prospective MMP licensing entities as required by paragraph 3(f)(i) of the above referenced Agreement. On October 15, 2014, Patriot requested immediate notification of when the lists would be made available.

As of this date we have not received the lists or any indication of when they will be made available.

Patriot is an intended beneficiary of the Agreement. This is notice that the failure to provide the two lists places Alliacense in breach of the Agreement. In the event Patriot is not provided with the two lists by close of business on Wednesday, October 22, 2014, Dominion Harbor Group will be instructed to approach the full universe of potential licensees to the MMP Portfolio. I believe this to be a sub-optimal course as compared to having Alliacense's full cooperation as called for by the Agreement. However, because of Alliacense's delay, which at this point can only be construed as deliberate, we are left with no alternative.

701 Palomar Airport Road, Suite 170 • Carlsbad, CA 92011-1045  
Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

Very truly yours,



Clifford Flowers, CEO  
Patriot Scientific Corporation

cc Carl Johnson  
cc Gloria Felcyn  
cc Charles T. Hoge, esq  
cc Mike Davis, Alliacense

701 Palomar Airport Road, Suite 170 • Carlsbad, CA 92011-1045  
Phone (760) 547-2700  
[www.ptsc.com](http://www.ptsc.com)

# EXHIBIT K

---

**From:** Clifford Flowers [mailto:cflowers@ptsc.com]

**Sent:** Tuesday, October 28, 2014 1:54 PM

**To:** Mike Davis

**Cc:** Mac Leckrone; Carl Johnson; Gloria H. Felcyn; Swamy Venkidu; KBeresford@beresfordpatents.co.uk; oneppm@ymail.com; GKaplan@fbm.com; chetbrown6@gmail.com; brentk@sugarlandtx.us; zlatan@drribic.com; martin@drribic.com; advisors@krysium.com; kcurry@gcalaw.com; skim@gcalaw.com; hwang.thomas@dorsey.com; Charles T. Hoge; rob@bindermalter.com; Robert Franklin; javed@eflawfirm.com

**Subject:** FW: Breach Notice

Mike,

As you are aware Alliacense is in breach of the July Novation agreement by failing to provide the lists of prospective MMP licensees that would enable a second licensing agent to the MMP portfolio. Alliacense has had ample time and opportunity to address this matter, as outlined in the attached letter and e-mail below.

The issue of MMP licensing is important to Patriot and all the creditors of TPL. While the MMP portfolio is expected to provide the most significant portion of license revenues in satisfaction of creditor claims, Alliacense has not written a significant MMP license in over a year. I see no legitimate reason for Alliacense's failure to assist in getting the second licensing agent up and running. Not only is this an obligation of the Novation agreement that is now in breach, you personally committed to me the framework for resolving this matter as outlined in our correspondence below. Why you have reneged on that commitment I can only speculate. I don't think this reflects well on either you or Alliacense.

Unfortunately you and your employer leave us no choice. In the event the steps we agreed to last week are not fully fulfilled by close of business tomorrow we will take the measures we believe necessary to get the MMP program back on track, including authorizing the second licensing agent to access the full universe of prospective MMP license candidates.

Cliff