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Attorneys for Debtor and Debtor-in-Possession
TECHNOLOGY PROPERTIES LIMITED, LLC

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA, DIVISION 5

In re

TECHNOLOGY PROPERTIES LIMITED,
LLC,

Case No: 13-51589 SLJ

Chapter 11

Date: August __, 2014

Time:

Place: Courtroom 3099
280 South First Street
San Jose, California

Debtor.

FOURTH MOTION TO APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))

TO SECURED CLAIMANTS CUPERTINO CITY CENTER BUILDINGS, A CALIFORNIA LIMITED PARTNERSHIP; SWAMY VENKIDU AS SHAREHOLDER AGENT FOR A GROUP OF SHAREHOLDERS; DANIEL E. LECKRONE; THE OFFICIAL UNSECURED CREDITORS' COMMITTEE; ALL PARTIES REQUESTING SPECIAL NOTICE, THE UNITED STATES TRUSTEE, AND THEIR RESPECTIVE COUNSEL:

Debtor and debtor in possession Technology Properties Limited, LLC ("TPL") hereby moves for an order approving its request to use cash collateral pursuant to 11 U.S.C. Section 363(c) to pay ongoing operating expenses after approval through preliminary and final hearings. TPL proposes to expend a maximum of \$31,101.45 for certain expenses and U.S. Trustee's fees. These payments are set out in the budget attached as Exhibit "A" to the supporting declaration of TPL's Manager, Daniel E. Leckrone (the "TPL Budget").

1 The following statement is made for purposes of compliance with Guideline B of this
2 District's Guidelines for Cash Collateral & Financing Motions & Stipulations:

3 **INTRODUCTORY STATEMENT**

4 **A. Name of Each Entity With an Interest in the Cash Collateral**

5 Cupertino City Center Buildings, a California Limited Partnership ("CCC"); Swamy
6 Venkidu as Shareholder Agent for a group of shareholders ("Mr. Venkidu"); and, Daniel E.
7 Leckrone each claim interests in Cash Collateral in this case.

8 **B. Purposes for the Use of the Cash Collateral**

9 Cash collateral is to be used in the ordinary course for operations of the business and to
10 pay U.S. Trustee's fees.

11 **C. Terms, Including Duration, of the Use of Cash Collateral**

12 Cash collateral is to be used to pay operating expenses in the ordinary course as set forth
13 in the Budget. The interim amount requested pending a final hearing on the Motion is
14 \$31,101.45.

- 15 1. TPL would be authorized to expend or reserve cash collateral subject to the following
16 paragraphs.
- 17 2. TPL would not be authorized to pay any employee for commissions or incentive
18 compensation.
- 19 3. TPL has paid CCC adequate protection of \$50,000 per month from its cash collateral
20 through March 2014. CCC has temporarily extended the due dates for subsequent
21 payments pending further notice.
- 22 4. TPL would be prohibited from paying Daniel E. Leckrone any adequate protection
23 payment pending further order of this Court.
- 24 5. All three secured creditors, CCC, Venkidu, and Mr. Leckrone, would receive a
25 replacement lien on collateral with a back-up super-priority claim to the extent that
26 adequate protection proves inadequate measured by a decline from liquidation value of
27 their collateral as of the filing date. The replacement liens shall attach only to the
28 collateral of the kind and character to which the respective lienholders' lien would have
attached pre-petition, and there shall be no cross-collateralization with other collateral
except as specified below as to Venkidu. Any replacement liens approved must be
subordinate to the compensation and expense reimbursement allowed to any future-
appointed trustee in the case.
6. Venkidu would receive a replacement lien as to the CF portfolio and a back-up super-
priority claim as set forth in paragraph 5 above. To the extent TPL uses proceeds from the
CF portfolio to fund operations, Venkidu would be granted a replacement lien on future
proceeds generated. To the extent those proceeds are inadequate to fully pay Venkidu's
allowed secured claim, Venkidu would be granted an administrative claim with priority
over all other administrative claims (including professionals' fees). The replacement lien
and super-priority claim would be valid only to the extent, validity and priority of the pre-

petition lien. If however Venkidu's pre-petition lien in the CF portfolio is avoided or is determined to be invalid, then the replacement lien in the post-petition proceeds of the CF portfolio would be deemed avoided and vacated, and no superpriority claim would be allowed. If the value of the CF portfolio is less than the amount of the claim, the replacement lien would be valid only to the extent of that value of the collateral.

7. To the extent TPL uses proceeds from the CF portfolio to fund operations Venkidu receives a junior replacement lien in the MMP and FastLogic portfolio proceeds as further adequate protection only to the same extent, validity and priority of Venkidu's lien in the CF portfolio. Thus, to the extent Venkidu is not paid from the CF portfolio, he would have a junior lien on these other portfolios. However, if Venkidu's pre-petition lien in the CF portfolio is avoided or is determined to be invalid, then there is no replacement lien in the MMP and FastLogic portfolios and shall be deemed avoided and vacated, and no superpriority claim shall be allowed. And, if the value of the CF collateral is less than the amount of Venkidu's allowed, secured claim, the replacement lien in the MMP and FastLogic portfolios is valid only to the extent of the value of the collateral.
8. The Committee shall be deemed to have reserved the right, on behalf of the estate, to recover all adequate protection payments in the event the Court finds that there is no enforceable security interest in TPL's assets.
9. The Committee reserves all rights including, but not limited to, the right to investigate and challenge (a) the validity, extent, priority and/or enforceability of all alleged liens (including motions to equitably subordinate and adversary proceedings to avoid liens, (b) employee compensation, (c) payments to Alliacense, (d) the adequacy of proposed budgets, and (e) the adequacy of proposed carve outs / retainers for Committee professionals.
10. To the extent that recoveries in litigation and licensing results in larger payments being owed to contingency counsel according to the terms of their court-approved terms of employment than TPL has projected, the approved contingency shall control, subject to final approval by this Court under 11 U.S.C. section 328(a).
11. The terms of the order approving cash use would be binding on any subsequently appointed trustee.
12. As a condition of consent by Venkidu to the cash use, Daniel E. Leckrone would agree to continue to subordinate his lien to that of Venkidu in the CF portfolio.

D. Liens, Cash Payments, Or Other Adequate Protection

All three secured creditors, CCC, Mr. Venkidu, and Mr. Leckrone, would receive a replacement lien on collateral with a back-up super-priority claim to the extent that adequate protection proves inadequate measured by a decline from liquidation value of their collateral as of the filing date. The replacement liens shall attach only to the collateral of the kind and character to which the respective lienholders' lien would have attached pre-petition, and there shall be no cross-collateralization with other collateral except as specified below as to Mr. Venkidu. Any replacement liens approved must be subordinate to the compensation and expense reimbursement allowed to any future-appointed trustee in the case.

Mr. Venkidu would receive a replacement lien as to the CF portfolio and a back-up super-priority claim as set forth in paragraph 5 above. To the extent TPL uses proceeds from the CF portfolio to fund operations, Mr. Venkidu would be granted a replacement lien on future

1 proceeds generated. To the extent those proceeds are inadequate to fully pay Mr. Venkidu's
2 allowed secured claim, Mr. Venkidu would be granted an administrative claim with priority over
3 all other administrative claims (including professionals' fees). The replacement lien and super-
4 priority claim would be valid only to the extent, validity and priority of the pre-petition lien. If
5 however Mr. Venkidu's pre-petition lien in the CF portfolio is avoided or is determined to be
6 invalid, then the replacement lien in the post-petition proceeds of the CF portfolio would be
7 deemed avoided and vacated, and no superpriority claim would be allowed. If the value of the
8 CF portfolio is less than the amount of the claim, the replacement lien would be valid only to the
9 extent of that value of the collateral

10 **CERTIFICATION**

11 The undersigned Certifying Professional has read the accompanying Third Motion to
12 Approve Use of Cash Collateral; to the best of my knowledge, information and belief, formed
13 after reasonable inquiry, the terms of the relief sought in the motion or stipulation are in
14 conformity with the Court's Guidelines For Cash Collateral And Financing Motions and
15 Stipulations except as set forth above. I understand and have advised the debtor in possession or
16 trustee that the court may grant appropriate relief under Fed. R. Bankr. P. 9024 if the court
17 determines that a material element of the motion or stipulation was not adequately disclosed in
18 the Introductory Statement.

19 **BINDER & MALTER, LLP**

20 By: /s/ David B. Rao
21 David B. Rao

22 **GENERAL BACKGROUND**

23 TPL was founded in 1988, initially as a corporation, in order to develop, license, and
24 manage proprietary technology for the benefit of the technologies owners, a process referred to
25 generally as "commercialization". The initial technology that TPL commercialized is called the
26 Moore Microprocessor Portfolio (the "MMP Portfolio") and is named after inventor Charles H.
27 Moore. This technology is widely recognized as a fundamental building block of all
28 microprocessor-based products.

1 Through the early 2000's, TPL worked with Mr. Moore in an effort to develop and
2 commercialize a revolutionary microprocessor device known as an "Array". As part of that
3 relationship, TPL was assigned part ownership of the MMP Portfolio with exclusive rights to
4 commercialize the MMP portfolio. In early 2004, Patriot Scientific Corporation, a public
5 company ("PTSC"), filed suit against TPL and Moore alleging ownership of the MMP patents
6 and asserting claims for declaratory judgment for determination and correction of inventorship of
7 the MMP patents. That litigation was settled by the parties in 2005 and resulted in the creation of
8 a joint venture by the name of Phoenix Digital Solutions LLC ("PDS"). PDS engaged TPL on an
9 exclusive basis to manage the commercialization of the MMP Portfolio.
10

11 Since 2004, the MMP Portfolio has been licensed to essentially all segments of the digital
12 electronics industry, from aerospace and defense to computer gaming, generating over \$300
13 million for the MMP Portfolio's owners. Over 95 global electronics companies, from industries
14 as diverse as robotics, medical equipment, computers, mobile phones, automobiles, heavy
15 machinery, photography and aerospace, have purchased licenses to the MMP Portfolio. Such
16 companies include Intel, Fujitsu, Sharp, Phillips, DirecTV, Rockwell Automation, Apple,
17 Motorola, RIM, Nokia, Toshiba, Rolls-Royce, General Electric, and Ford Motor Company. In
18 virtually every case, MMP Portfolio licensee has required that all of its microprocessor-based
19 products be licensed.
20

21 TPL also commercializes several other portfolios, including the Fast Logic portfolio,
22 which relates to high-speed logic circuits, and the CORE Flash portfolio, relating to flash-media
23 cards. TPL is also engaged in developing products based upon other patent portfolios, though
24 this is a smaller part of its business. TPL also formerly sold a small volume of computer chips
25 which are manufactured at a third-party fabrication facility based upon designs from patents TPL
26 had a right to use.

27 TPL's primary business is to maximize the value of patent portfolios. That business has
28 essentially 3 components. Typically, TPL is granted an exclusive license to commercialize a

1 portfolio of patents in exchange for payment of a percentage of the revenue to the owner of the
2 patent.

3 TPL then identifies companies whose products infringe the patents and works to license
4 the technology to them. This requires extensive expertise to analyze whether the particular
5 technology is infringing on the patents and to compile and market the information necessary to
6 explain why each company making and selling infringing products need to purchase a license.
7 TPL is in contract with Alliacense Limited LLC (“Alliacense”), a related entity, as its vendor or
8 to provide TPL with the needed technical expertise in marketing services.
9

10 The third component is to prosecute litigation against infringing companies that refuse to
11 license patented technology. This aspect of the business became necessary beginning in
12 approximately 2011 because of changes in management styles in the industry and new
13 legislation. TPL is currently litigating extensive claims involving the MMP Portfolio, the Core
14 Flash Portfolio, and the Fast Logic Portfolio against over 30 major corporations. Complaints
15 have been filed in the US International Trade Commission (“ITC”), the United States District
16 Court for the Eastern District of Texas, the District of Delaware, and the Northern District of
17 California. In many of these actions, the patent owners have themselves joined TPL in making
18 claims of infringement against these defendants and seek damages jointly with TPL.
19

20 SECURED CLAIMS

21 TPL has three secured creditors: CCC, Swamy Venkidu (as Shareholder Representative) ,
22 and Daniel E. Leckrone.

23 CCC and TPL entered into agreement in March of 2012 (the Settlement Agreement) to
24 settle a lawsuit arising from TPL’s lease of the property located at 20400 Stevens Creek
25 Boulevard in Cupertino California. (*Cupertino City Center Buildings v. Technology Properties*
26 *Limited LLC*, Superior Court of California, County of Santa Clara Case No. 110-CV-186192).
27
28

1 Under the Settlement Agreement, TPL promises to pay CCC a total of \$1.3 million in
2 installments at \$50,000 per month over time. This promise is secured by a continuing security
3 interest in TPL's share of the proceeds of the following:

- 4 A. All CORE Flash and FastLogic litigation;
- 5 B. TPL's interest in the gross proceeds of a license agreement dated 4/12/06 with
6 FMM Portfolio LLC re the CORE Flash Portfolio (aka Memory Control Mgt
7 Technology);
- 8 C. TPL's interest in the gross proceeds of a license agreement dated 6/19/07 with
9 HSM Portfolio LLC re: the Fast Logic Portfolio (aka High Speed Memory
10 Technology);
- 11 D. Fifty percent of TPL's interest in the gross proceeds of a commercialization
12 agreement dated 6/7/05 between TPL, P-Newco and Patriot re the MMP
13 Portfolio;
- 14 E. TPL's interest in the gross proceeds of that certain agreement dated 6/22/11
15 with Agility IP Law LLP re certain CORE Flash Portfolio Patents; and
- 16 F. TPL's interest in the gross proceeds of a license agreement dated 12/14/07
17 with ChipScale, Inc. re the Wafer-Level Chip Scale Technology.

18 CCC claims to have perfected its security interest by filing a UCC-1 with the California
19 Secretary of State on February 27, 2012.

20 Mr. Leckrone has loaned in excess of \$3.8 million to TPL over the last 3 years. The
21 initial loan of \$1 million was made in 2010. At that time the parties executed a security
22 agreement that covered the current loan and any further loans of Mr. Leckrone to TPL. The
23 security agreement granted a security interest in all of TPL's property, including all intellectual
24 property and inchoate rights.

25 Mr. Leckrone claims to have perfected his security interest with the filing of a UCC-1
26 with the California Secretary of state on April 14, 2010. Mr. Leckrone subsequently
27 subordinated his security interest to that of CCC.

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

5 Under the Agreement, Mr. Venkidu was granted a security interest in the CORE Flash
6 Portfolio. Mr. Venkidu recorded UCC-1 financing statements with the California Secretary of
7 State and claims thereby to have perfected his security interests in the CORE Flash Portfolio and
8 proceeds therefrom. Financing Statements were recorded in 2006 and, following expiration,
9 again on April 12, 2012.

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

12 **DIFFERENCES IN SCOPE OF COLLATERAL SECURING CLAIMS**

13 Mr. Leckrone has a lien against all TPL's assets. CCC has a lien against the proceeds
14 that TPL receives from collateral identified above, which is substantially less than all TPL's
15 assets. Mr. Venkidu has a lien against the CORE Flash Portfolio.

16 **LIEN PRIORITY**

17 TPL believes that CCC holds the first priority secured lien position on the collateral
18 securing its lien, owing to Mr. Leckrone's subordination and Mr. Venkidu's break in perfection
19 in 2012. TPL believes that Mr. Leckrone is the second priority lienholder on all assets against
20 which CCC holds a lien and first priority against all other TPL assets. TPL believes that Mr.
21 Venkidu is the third priority lienholder on assets against which he holds a lien.

22 **COLLATERAL VALUE AND DEBT STRUCTURE**

23 TPL has listed in its Schedules a value for its assets of \$4,429,183.31; this total however
24 excludes claims, rights, and general intangibles whose value is presently impossible to estimate
25 precisely. Assuming that TPL's various patent portfolios can be fully commercialized through
26 licensing programs for clients and infringement suits against violators over time, TPL contends
27 that its assets are worth well in excess of \$100 million.

1 TPL lists in Schedules D, E, and F, respectively, secured claims totaling \$9,700,896,
2 unsecured priority claims totaling \$8,972,356.03, and general unsecured claims totaling
3 \$49,936,736.33.

4 **PROJECTED INCOME AND CASH COLLATERAL**

5 TPL has approximately \$160,000 in cash at this time from licensing its portfolios.

6 **EXTENT OF CASH USE REQUESTED/MINIMUM NECESSARY**

7 TPL has immediate cash needs in the amount of \$31,101.45 that are detailed in the TPL
8 Budget which need to be paid in order to avoid irreparable harm, namely the cancellation of
9 insurance and potential expiration of patent rights. Additionally, TPL has U.S. Trustee fees that
10 need to be paid.

11 **DISCLOSURE OF PAYMENTS TO INSIDERS AND RELATED ENTITY**

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13 The TPL Budget includes no payments to insiders or related entities.

14 **STATUS OF STIPULATIONS FOR USE OF CASH COLLATERAL**

15
16 The parties stipulated to extensions of the original cash collateral motion to this point and
17 are likely to stipulate once again but were directed by the Court to bring any further extension by
18 way of a new motion.

19 WHEREFORE, TPL respectfully requests that this Court grant approval to use cash
20 collateral on the terms set forth herein through and including August 31, 2014, or the date of a
21 final hearing on the Motion, whichever is earlier, and set a final hearing on the Motion.

22
23 Dated: August 12, 2014

BINDER & MALTER, LLP

24
25 By: /s/ David B. Rao
David B. Rao

26 Attorneys for Attorneys for Debtor and Debtor-in-
27 Possession TECHNOLOGY PROPERTIES
LIMITED LLC

28 TPL/plead/CashCollateral/FourthCashCollateral/FourthCashCollateral.MOTION

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7
8 Attorneys for Debtor and Debtor-in-Possession
TECHNOLOGY PROPERTIES LIMITED LLC

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10
11 **UNITED STATES BANKRUPTCY COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **SAN JOSE DIVISION**
14

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

Case No.: 13- 51589SLJ

Chapter 11

Date: August __, 2014

Time:

Place: Courtroom 3099
280 South First Street
San Jose, California

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22 **DECLARATION OF DANIEL E. LECKRONE IN SUPPORT OF FOURTH MOTION**
23 **TO APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

24 I, Daniel E. Leckrone, know the following matters to be true of my own, personal
25 knowledge and, if called as a witness, could and would testify competently thereto:
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1 1. I am the Manager of Technology Properties Limited LLC, the debtor-in-
2 possession in this case (hereinafter "TPL") and am the Responsible Individual confirmed by
3 Order of the Court.

4 2. TPL was founded in 1988, initially as a corporation, in order to develop, license,
5 and manage proprietary technology for the benefit of the technologies owners, a process referred
6 to generally as "commercialization". The initial technology that TPL commercialized is called
7 the Moore Microprocessor Portfolio (the "MMP Portfolio") and is named after inventor Charles
8 H. Moore. This technology is widely recognized as a fundamental building block of all
9 microprocessor-based products.

10 3. Through the early 2000's, TPL worked with Mr. Moore in an effort to develop
11 and commercialize a revolutionary microprocessor device known as an "Array". As part of that
12 relationship, TPL was assigned part ownership of the MMP Portfolio with exclusive rights to
13 commercialize the MMP portfolio. In early 2004, Patriot Scientific Corporation, a public
14 company ("PTSC"), filed suit against TPL and Moore alleging ownership of the MMP patents
15 and asserting claims for declaratory judgment for determination and correction of inventorship of
16 the MMP patents. That litigation was settled by the parties in 2005 and resulted in the creation of
17 a joint venture by the name of Phoenix Digital Solutions LLC ("PDS"). PDS engaged TPL on an
18 exclusive basis to manage the commercialization of the MMP Portfolio.

19 4. Since 2004, the MMP Portfolio has been licensed to essentially all segments of
20 the digital electronics industry, from aerospace and defense to computer gaming, generating over
21 \$300 million for the MMP Portfolio's owners. Over 95 global electronics companies, from
22 industries as diverse as robotics, medical equipment, computers, mobile phones, automobiles,
23 heavy machinery, photography and aerospace, have purchased licenses to the MMP Portfolio.
24 Such companies include Intel, Fujitsu, Sharp, Phillips, DirecTV, Rockwell Automation, Apple,
25 Motorola, RIM, Nokia, Toshiba, Rolls-Royce, General Electric, and Ford Motor Company. In
26
27
28

1 virtually every case, MMP Portfolio licensee has required that all of its microprocessor-based
2 products be licensed.

3 5. TPL also commercializes several other portfolios, including the Fast Logic
4 portfolio, which relates to high-speed logic circuits, and the CORE Flash portfolio, relating to
5 flash-media cards. TPL is also engaged in developing products based upon other patent
6 portfolios, though this is a smaller part of its business. TPL also formerly sold a small volume of
7 computer chips which were manufactured at a third-party fabrication facility based upon designs
8 from patents TPL had a right to use.
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10 6. TPL's primary business is to maximize the value of patent portfolios. That
11 business has essentially 3 components. Typically, TPL is granted an exclusive license to
12 commercialize a portfolio of patents in exchange for payment of a percentage of the revenue to
13 the owner of the patent.

14 7. TPL then identifies companies whose products infringe the patents and works to
15 license the technology to them. This requires extensive expertise to analyze whether the
16 particular technology is infringing on the patents and to compile and market the information
17 necessary to explain why each company making and selling infringing products need to purchase
18 a license. TPL is in contract with Alliacense Limited LLC ("Alliacense"), a related entity, as its
19 vendor or to provide TPL with the needed technical expertise in marketing services. 8. The
20 third component is to prosecute litigation against infringing companies that refuse to license
21 patented technology. This aspect of the business became necessary beginning in approximately
22 2011 because of changes in management styles in the industry and new legislation. TPL is
23 currently litigating extensive claims involving the MMP Portfolio, the Core Flash Portfolio, and
24 the Fast Logic Portfolio against over 30 major corporations. Complaints have been filed in the
25 US International Trade Commission ("ITC"), the United States District Court for the Eastern
26 District of Texas, the District of Delaware, and the Northern District of California. In many of
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1 these actions, the patent owners have themselves joined TPL in making claims of infringement
2 against these defendants and seek damages jointly with TPL.

3 9. TPL has three secured creditors: CCC, Swamy Venkidu (as Shareholder
4 Representative) , and me.

5
6 10. CCC and TPL entered into agreement in March of 2012 (the Settlement
7 Agreement) to settle a lawsuit arising from TPL's lease of the property located at 20400 Stevens
8 Creek Boulevard in Cupertino California. (*Cupertino City Center Buildings v. Technology*
9 *Properties Limited LLC*, Superior Court of California, County of Santa Clara Case No. 110-CV-
10 186192).

11
12 11. Under the Settlement Agreement, TPL promises to pay CCC a total of \$1.3
13 million in installments at \$50,000 per month over time. This promise is secured by a continuing
14 security interest in TPL's share of the proceeds of the following:

- 15 A. All CORE Flash and FastLogic litigation;
- 16 B. TPL's interest in the gross proceeds of a license agreement dated 4/12/06 with
17 FMM Portfolio LLC re the CORE Flash Portfolio (aka Memory Control Mgt
18 Technology);
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20 HSM Portfolio LLC re: the Fast Logic Portfolio (aka High Speed Memory
21 Technology);
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23 agreement dated 6/7/05 between TPL, P-Newco and Patriot re the MMP
24 Portfolio;
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26 with Agility IP Law LLP re certain CORE Flash Portfolio Patents; and
- 27 F. TPL's interest in the gross proceeds of a license agreement dated 12/14/07
28 with ChipScale, Inc. re the Wafer-Level Chip Scale Technology.

1 12. CCC claims to have perfected its security interest by filing a UCC-1 with the
2 California Secretary of State on February 27, 2012.

3 13. I loaned in excess of \$3.8 million to TPL over the last 3 years. The initial loan of
4 \$1 million was made in 2010. At that time we executed a security agreement that covered the
5 current loan and any further loans to TPL. The security agreement granted a security interest in
6 all of TPL's property, including all intellectual property and inchoate rights.

7 14. I claim to have perfected my security interest with the filing of a UCC-1 with the
8 California Secretary of state on April 14, 2010. I subsequently subordinated my security interest
9 to that of CCC.

10 15. Mr. Venkidu, TPL and other parties entered into a security agreement in April of
11 2006 (the "Agreement"), which related to a multi-party transaction including TPL and resulted in
12 TPL obtaining certain rights with respect to a group of patents known variously as the "CORE
13 Flash Portfolio" or the MCM Patent Portfolio .

14 16. Under the Agreement, Mr. Venkidu was granted a security interest in the CORE
15 Flash Portfolio. Mr. Venkidu recorded UCC-1 financing statements with the California Secretary
16 of State of California and claims thereby to have perfected his security interests in the CORE
17 Flash Portfolio and proceeds therefrom. Financing Statements were recorded in 2006 and,
18 following expiration, again on April 12, 2012.

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

21 18. I believe that CCC holds the first priority secured lien position on the collateral
22 securing its lien, owing my subordination and Mr. Venkidu's break in perfection in 2012. I
23 believe I am the second priority lienholder on all assets against which CCC holds a lien and first
24 priority against all other TPL assets. I believe that Mr. Venkidu is the third priority lienholder on
25 assets against which he holds a lien.

26 **PROJECTED INCOME AND CASH COLLATERAL**

27 19. TPL has approximately \$160,000 in cash at this time from licensing its portfolios.
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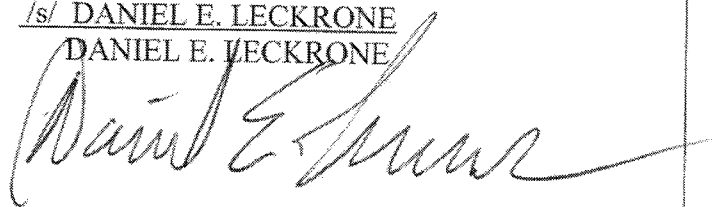
1 20. Attached hereto as Exhibit "A" is a budget for certain TPL expenses which need
2 to be paid.

3 21. The cash that TPL is requesting permission to use is necessary to avoid immediate
4 harm, namely the cancellation of insurance and potential expiration of patent rights. TPL has
5 expenses of \$ 31,101.45. This amount does not include an adequate protection payment to
6 CCC which, I am informed and believe, has temporarily extended the due dates for these
7 payments pending further notice. Nor does this amount include an adequate protection payment
8 to Mr. Venkidu who, I am informed and believe, has agreed to TPL's use of cash collateral
9 without that payment. The budget also does not include payments to professionals as a carve-out
10 because, at this time, TPL does not expect to receive sufficient revenue before a final hearing to
11 pay these sums. It is understood, however, that such a carve-out will be made if cash is available.

12 22. Without approval to use cash, TPL will lose its general liability insurance and
13 may cause certain patents to expire, causing TPL to be in breach of the agreements pursuant to
14 which it is entitled to commercialize those patents and would likely cause the termination of
15 those agreements. Additionally, the US Trustee fees would go unpaid..

16 I declare under penalty of perjury of the laws of the United States that the foregoing is
17 true and correct. Executed this 5th day of August, 2014 at San Jose, California.

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19
20 /s/ DANIEL E. LECKRONE
DANIEL E. LECKRONE

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23 TPL/plead/Ch11/CashCollateral/FourthCashCollateral/Leckrone.Declaration
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CASH COLLATERAL BUDGET

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|--|-------------|
| US Trustee fees | \$975.00 |
| Patent Maintenance fees | \$19,203.03 |
| Hartford general liability insurance | \$6,352.96 |
| Unsecured property tax | \$780.34 |
| Storage rental for files and records (lease is up) | \$512.00 |
| Storage \$106/month x 2 months | |
| Movers \$300 | |
| Heffernan/Chubb | \$1,563.12 |
| Heffernan/EP | \$1,715.00 |
| Total | \$31,101.45 |

EXHIBIT "A"