

Heinz Binder (SBN 87908)
Robert G. Harris (SBN 124678)
Wendy W. Smith (SBN 133887)
BINDER & MALTER, LLP
2775 Park Avenue
Santa Clara, CA 95050
Telephone: (408)295-1700
Facsimile: (408) 295-1531
Email: heinz@bindermalter.com
Email: rob@bindermalter.com
Email: wendy@bindermalter.com

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,

Debtor.

Case No: 13-51589 SLJ

Chapter 11

Date: TBD

Time: TBD

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

**FIFTH MOTION TO APPROVE STIPULATION FOR USE
OF CASH COLLATERAL (FRBP 4001(b), (d))**

TO SECURED CLAIMANT CUPERTINO CITY CENTER BUILDINGS, A CALIFORNIA
LIMITED PARTNERSHIP; SECURED CLAIMANT SWAMY VENKIDU AS
SHAREHOLDER AGENT FOR A GROUP OF SHAREHOLDERS; AND SECURED
CLAIMANT DANIEL E. LECKRONE:

Debtor and debtor-in-possession Technology Properties Limited, LLC ("TPL") hereby
moves for an order approving its Fifth Motion To Approve Stipulation For Use Of Cash
Collateral (FRBP 4001(b)) (the "Motion") pursuant to which it seeks the following relief:

- a. Authority to pay adequate protection from cash collateral in the amount of \$150,000
to secured claimant Cupertino City Center and \$300,000 to secured claimant
Venkidu;

b. Authority to pay current operational and litigation expenses of TPL from cash collateral in the amount of \$8,939.00 as follows:

CPA Global - patent maintenance –estimated	\$ 1,656
SCC Tax Assessment	\$ 995
Cobra Required Payments	\$ 227
Bank Charges	\$ 500
Simon Law Firm	\$ 1,811
Consultants - (finance)	\$ 1,600
Patent Office filing reimbursement – IPR	\$ 450
US Bankruptcy Court	\$ 950
Subtotal SG&A	\$ 8,939

c. Establishment of a procedure allowing submission of monthly budget to the creditors identified below at least five or, at TPL's sole option, more calendar days prior to the end of calendar month which budget shall, if no timely objection is filed and served upon counsel for TPL by the end of the fifth day after service, be deemed approved without further order of the court.

I. INTRODUCTORY STATEMENT:

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

A. Name of Each Entity with an Interest in the Cash Collateral.

1. Cupertino City Center Buildings, a California Limited Partnership ("CCC"); Swamy Venkidu as Shareholder Agent for a group of shareholders ("Mr. Venkidu"); and, Daniel E. Leckrone, each claim interests in Cash Collateral in this case (the foregoing persons and entities are collectively the "Secured Parties").

///

///

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

2 2. Cash collateral is to be used in the ordinary course for operations of the business,
3 to pay litigation and commercialization costs as well as patent prosecution and defense costs,
4 taxes, COBRA costs, contingency counsel's expenses, expenses of preparing MOR's, U.S.
5 Trustee's fees, and adequate protection.

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

7 3. Cash collateral is to be used to pay monthly operating expenses each month in the
8 ordinary course of its business as will be set forth in a budget listing proposed expenses (the
9 "Monthly Budget"). Each month, TPL will present the Monthly Budget for the following month
10 to the Secured Creditors, the Official Committee of Unsecured Creditors (the "Committee"), the
11 United States Trustee, and the parties requesting special notice (collectively, the "Reviewing
12 Parties") for review. The proposed Monthly Budget will be presented no later than five calendar
13 days before the first day of the proposed use of cash collateral described. The proposed Monthly
14 Budget shall be by via e-mail or overnight delivery.

15 4. Objections to the Monthly Budget must be filed with the Court and served on the
16 Debtor, the OCC, their counsel, and any other person or entity entitled to notice of this Motion
17 not later than five days of the service of the Monthly Budget. If no objection is filed, TPL shall
18 be deemed to have been authorized to use cash collateral as set forth in the Monthly Budget
19 without further order of the Court. If a timely objection is served and filed then TPL shall serve
20 notice of a hearing no sooner than three court days from the date of the notice, and shortened
21 time shall be deemed granted and stipulated by the objecting party.

22 5. TPL would be authorized to expend or reserve cash collateral subject also to the
23 following paragraphs.

24 6. TPL would not be authorized to pay any employee for commissions or incentive
25 compensation except pursuant to the terms of a confirmed plan.

26 7. TPL would be prohibited from paying Daniel E. Leckrone any adequate
27 protection payment pending further order of this Court.
28

1 **D. Liens, Cash Payments, Or Other Adequate Protection.**

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

10 9. Venkidu would receive a replacement lien as to the CF portfolio and a back-up
11 super-priority claim as set forth above. To the extent TPL uses proceeds from the CF portfolio to
12 fund operations, Venkidu would be granted a replacement lien on future proceeds generated. To
13 the extent those proceeds are inadequate to fully pay Venkidu's allowed secured claim, Venkidu
14 would be granted an administrative claim with priority over all other administrative claims
15 (including professionals' fees). The replacement lien and super-priority claim would be valid
16 only to the extent, validity and priority of the pre-petition lien. If however Venkidu's pre-
17 petition lien in the CF portfolio is avoided or is determined to be invalid, then the replacement
18 lien in the post-petition proceeds of the CF portfolio would be deemed avoided and vacated, and
19 no super-priority claim would be allowed. If the value of the CF portfolio is less than the
20 amount of the claim, the replacement lien would be valid only to the extent of that value of the
21 collateral.

22 10. To the extent TPL uses proceeds from the CF portfolio to fund operations
23 Venkidu receives a junior replacement lien in the MMP and FastLogic portfolio proceeds as
24 further adequate protection only to the same extent, validity and priority of Venkidu's lien in the
25 CF portfolio. Thus, to the extent Venkidu is not paid from the CF portfolio, he would have a
26 junior lien on these other portfolios. However, if Venkidu's pre-petition lien in the CF portfolio
27 is avoided or is determined to be invalid, then there is no replacement lien in the MMP and
28 FastLogic portfolios and shall be deemed avoided and vacated , and no superpriority claim shall

1 be allowed. And, if the value of the CF collateral is less than the amount of Venkidu's allowed,
2 secured claim, the replacement lien in the MMP and FastLogic portfolios is valid only to the
3 extent of the value of the collateral.

4 11. The Committee shall be deemed to have reserved the right, on behalf of the estate,
5 to recover all adequate protection payments in the event the Court finds that there is no
6 enforceable security interest in TPL's assets.

7 12. The Committee reserves all rights including, but not limited to, the right to
8 investigate and challenge: (a) the validity, extent, priority and/or enforceability of all alleged
9 liens (including motions to equitably subordinate and adversary proceedings to avoid liens; (b)
10 employee compensation; (c) payments to Alliacense; (d) the adequacy of proposed budgets; and
11 (e) the adequacy of proposed carve outs / retainers for Committee professionals.

12 13. To the extent that recoveries in litigation and licensing results in larger payments
13 being owed to contingency counsel according to the terms of their court-approved terms of
14 employment than TPL has projected, the approved contingency shall control, subject to final
15 approval by this Court under 11 U.S.C. section 328(a).

16 14. The terms of the order approving cash use would be binding on any subsequently
17 appointed trustee.

18 15. As a condition of consent by Venkidu to the cash use, Daniel E. Leckrone would
19 agree to continue to subordinate his lien to that of Venkidu in the CF portfolio.

20 **CERTIFICATION**

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

By: _____

Robert G. Harris

Attorney for Debtor and
Debtor-in-Possession

II. GENERAL BACKGROUND

16. TPL was founded in 1988, initially as a corporation, in order to develop, license, and manage proprietary technology for the benefit of the technologies owners, a process referred to generally as "commercialization." The initial technology that TPL commercialized is called the Moore Microprocessor Portfolio (the "MMP Portfolio").

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

18. Since 2004, the MMP Portfolio has been licensed to essentially all segments of the digital electronics industry, from aerospace and defense to computer gaming, generating over \$300 million for the MMP Portfolio's owners. TPL was also engaged in developing products based upon other patent portfolios, though this was a smaller part of its business. TPL also formerly sold a small volume of computer chips which are manufactured at a third-party fabrication facility based upon designs from patents TPL had a right to use.

1 19. TPL's primary business is to maximize the value of patent portfolios. That
2 business has essentially three components. Typically, TPL is granted an exclusive license to
3 commercialize a portfolio of patents in exchange for payment of a percentage of the revenue to
4 the owner of the patent. TPL then identifies companies whose products infringe the patents and
5 works to license the technology to them. This requires extensive expertise to analyze whether the
6 particular technology is infringing on the patents and to compile and market the information
7 necessary to explain why each company making and selling infringing products need to purchase
8 a license. TPL is in contract with Alliacense Limited LLC ("Alliacense"), a related entity, as its
9 vendor or to provide TPL with the needed technical expertise in marketing services.

10 20. The third component is to prosecute litigation against infringing companies that
11 refuse to 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.

15 21. TPL's joint disclosure statement with the OCC in support of their joint plan is set
16 for a further hearing on approval on November 12, 2014.

17 **III. SECURED CLAIMS**

18 21. There are three secured claimants. The senior lienholder is CCC. CCC and TPL
19 entered into agreement in March of 2012 (the Settlement Agreement) to settle a lawsuit arising
20 from TPL's lease of the property located at 20400 Stevens Creek Boulevard in Cupertino
21 California. (Cupertino City Center Buildings v. Technology Properties Limited LLC, Superior
22 Court of California, County of Santa Clara Case No. 110-CV-186192).

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

26 A. All CORE Flash and FastLogic litigation;

27 B. TPL's interest in the gross proceeds of Alliacense agreement dated 4/12/06 with FMM
28 Portfolio LLC re the CORE Flash Portfolio (aka Memory Control MgtTechnology);

1 C. TPL's interest in the gross proceeds of Alliacense agreement dated 6/19/07 with HSM
2 Portfolio LLC re: the Fast Logic Portfolio (aka High Speed Memory Technology);

3 D. Fifty percent of TPL's interest in the gross proceeds of a commercialization agreement
4 dated 6/7/05 between TPL, P-Newco and Patriot re the MMP Portfolio;

5 E. TPL's interest in the gross proceeds of that certain agreement dated 6/22/11 with
6 Agility IP Law LLP re certain CORE Flash Portfolio Patents; and

7 F. TPL's interest in the gross proceeds of a license agreement dated 12/14/07 with
8 ChipScale, Inc. re the Wafer-Level Chip Scale Technology.

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

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

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

19 25. Mr. Venkidu, TPL and other parties entered into a security agreement in April of
20 2006 (the "Agreement"), which related to a multi-party transaction including TPL and resulted in
21 TPL obtaining certain rights with respect to a group of patents known variously as the "CORE
22 Flash Portfolio" or the MCM Patent Portfolio .

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

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

IV. DIFFERENCES IN SCOPE OF COLLATERAL SECURING CLAIMS

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

V. LIEN PRIORITY

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

VI. COLLATERAL VALUE AND DEBT STRUCTURE

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

31. TPL lists in its bankruptcy schedules D, E, and F, respectively, secured claims totaling \$9,700,896, unsecured priority claims totaling \$8,972,356.03, and general unsecured claims totaling \$49,936,736.33.

VII. PROJECTED INCOME AND CASH COLLATERAL

32. TPL's litigation counsel holds over \$1.1 million in cash at this time from the licensing of portfolios.

VIII. EXTENT OF CASH USE REQUESTED/MINIMUM NECESSARY

33. TPL has immediate cash needs in the amount of \$453,860.77 that are detailed in the TPL Budget which need to be paid in order to avoid irreparable harm, namely the potential

1 action of secured creditors who have not been paid adequate protection payments for many
2 months, potential loss of litigation counsel whose expenses are long overdue for payment.

3 **IX. DISCLOSURE OF PAYMENTS TO INSIDERS AND RELATED ENTITY**

4 34. The TPL Budget currently includes no payments to insiders or related entities.
5 Should TPL recover revenues from litigation from which it is obligated to pay distributions to
6 the owners of the relevant patents, that payment will be reflected in the proposed budget.

7 **X. STATUS OF STIPULATIONS FOR USE OF CASH COLLATERAL**

8 35. The current motion is the subjection of a stipulation and consent by the OCC, Mr.
9 Venkidu, Mr. Leckrone, and Cupertino City Center.

10 WHEREFORE, TPL respectfully requests that this Court grant approval to use cash
11 collateral on the terms set forth herein and further approve the procedure for approval of the
12 Monthly Budget as requested.

13
14 Dated: November 6, 2014

BINDER & MALTER, LLP

15
16
17 By: /s/ Robert G. Harris
Robert G. Harris

18 Attorneys for Attorneys for Debtor and Debtor-in-
19 Possession TECHNOLOGY PROPERTIES
20 LIMITED LLC
21
22
23
24
25
26
27
28

Heinz Binder (SBN 87908)
Robert G. Harris (SBN 124678)
David B. Rao (SBN 103147)
BINDER & MALTER, LLP
2775 Park Avenue
Santa Clara, CA 95050
Tel: (408) 295-1700
Fax: (408) 295-1531
Email: Heinz@bindermalter.com
Email: Rob@bindermalter.com
Email: David@bindermalter.com

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

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

In re:

TECHNOLOGY PROPERTIES LIMITED,
LLC, a California limited liability company,

Debtor.

Case No.: 13- 51589SLJ

Chapter 11

Date: TBD

Time: TBD

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

**DECLARATION OF AROCKIYASWAMY VENKIDU IN SUPPORT OF
FIFTH MOTION TO APPROVE USE OF CASH COLLATERAL (FRBP 4001(b))**

I, Arockiyaswamy Venkidu, know the following matters to be true of my own,
personal knowledge and, if called as a witness, could and would testify competently thereto:

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

1 2. Through the early 2000's, TPL worked with Mr. Moore in an effort to develop
2 and 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 3. Since 2004, the MMP Portfolio has been licensed to essentially all segments of
12 the digital electronics industry, from aerospace and defense to computer gaming, generating over
13 \$300 million for the MMP Portfolio's owners.

14 4. TPL also commercializes several other portfolios, including the Fast Logic
15 portfolio, which relates to high-speed logic circuits, and the CORE Flash portfolio, relating to
16 flash-media cards. TPL has also been engaged in developing products based upon other patent
17 portfolios, though this is a smaller part of its business. TPL has also sold a small volume of
18 computer chips which are manufactured at a third-party fabrication facility based upon designs
19 from patents TPL has a right to use.
20

21 5. TPL's primary business is to maximize the value of patent portfolios. That
22 business has essentially 3 components. Typically, TPL is granted an exclusive license to
23 commercialize a portfolio of patents in exchange for payment of a percentage of the revenue to
24 the owner of the patent. TPL then identifies companies whose products infringe the patents and
25 works to license the technology to them. This requires extensive expertise to analyze whether the
26 particular technology is infringing on the patents and to compile and market the information
27 necessary to explain why each company making and selling infringing products need to purchase
28

1 a license. TPL is in contract with Alliacense Limited LLC (“Alliacense”), a related entity, as its
2 vendor or to provide TPL with the needed technical expertise in marketing services.

3 6. The third component is to prosecute litigation against infringing companies that
4 refuse to license patented technology. This aspect of the business became necessary beginning in
5 approximately 2011 because of changes in management styles in the industry and new
6 legislation. TPL is currently litigating extensive claims involving the MMP Portfolio, the Core
7 Flash Portfolio, and the Fast Logic Portfolio.

8 7. TPL’s joint disclosure statement with the OCC in support of their joint plan is set
9 for a further hearing on approval on November 12, 2014.

10 9. TPL has three secured creditors: CCC, me (as Shareholder Representative) , and
11 Daniel Leckrone.

12 10. CCC and TPL entered into agreement in March of 2012 (the Settlement
13 Agreement) to settle a lawsuit arising from TPL’s lease of the property located at 20400 Stevens
14 Creek Boulevard in Cupertino California. (*Cupertino City Center Buildings v. Technology*
15 *Properties Limited LLC*, Superior Court of California, County of Santa Clara Case No. 110-CV-
16 186192).

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

20 A. All CORE Flash and FastLogic litigation;

21 B. TPL's interest in the gross proceeds of a license agreement dated 4/12/06 with
22 FMM Portfolio LLC re the CORE Flash Portfolio (aka Memory Control Mgt
23 Technology);

1 C. TPL's interest in the gross proceeds of a license agreement dated 6/19/07 with
2 HSM Portfolio LLC re: the Fast Logic Portfolio (aka High Speed Memory
3 Technology);

4 D. Fifty percent of TPL's interest in the gross proceeds of a commercialization
5 agreement dated 6/7/05 between TPL, P-Newco and Patriot re the MMP
6 Portfolio;

7 E. TPL's interest in the gross proceeds of that certain agreement dated 6/22/11
8 with Agility IP Law LLP re certain CORE Flash Portfolio Patents; and

9 F. TPL's interest in the gross proceeds of a license agreement dated 12/14/07
10 with ChipScale, Inc. re the Wafer-Level Chip Scale Technology.

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

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

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

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

25 16. Under the Agreement, I was granted a security interest in the CORE Flash
26 Portfolio. I recorded UCC-1 financing statements with the California Secretary of State of
27 California and thereby perfected my security interests in the CORE Flash Portfolio and proceeds
28

therefrom. Financing Statements were recorded in 2006 and, following expiration, again on April 12, 2012.

17. As of the date of commencement of this case, the debt claimed owing to me (as Shareholder Representative) was approximately \$5.2 million.

18. I believe that CCC holds the first priority secured lien position on the collateral securing its lien. Since Mr. Leckrone subordinated his liens to mine, I believe I am the second priority lienholder on all assets against which CCC holds a lien and first priority against all other TPL assets.

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

20. TPL lists in its bankruptcy schedules D, E, and F, respectively, secured claims totaling \$9,700,896, unsecured priority claims totaling \$8,972,356.03, and general unsecured claims totaling \$49,936,736.33.

PROJECTED INCOME AND CASH COLLATERAL

22. I have been informed by TPL's litigation counsel, and believe, that he holds over \$1.1 million in cash at this time from licensing its portfolios.

23. TPL has immediate cash needs in the amount of \$458,939.00 that are detailed as follows:

a. 8,939.00 in the following amounts and for the indicated purposes:

CPA Global - patent maintenance -estimated	\$ 1,656
SCC Tax Assessment	\$ 995
Cobra Required Payments	\$ 227
Bank Charges	\$ 500
Simon Law Firm	\$ 1,811

Consultants - (finance)	\$ 1,600
Patent Office filing reimbursement - IPR	\$ 450
US Bankruptcy Court	\$ 950
Subtotal SG&A	\$ 8,939

b. Adequate protection of \$150,000 for CCC; and

c. While under the original Cash Collateral Order TPL was to pay me, as representative of the Onspec Shareholders \$75,000 per month, and it is currently eight (8) months delinquent post-petition (March to October 2014) and owes the sum of \$600,000; the Onspec Shareholders have agreed to accept \$300,000 as adequate protection payments at this time, with the understanding that TPL will continue to pay \$75,000 per month as Adequate Protection payments until the Chapter 11 plan is confirmed.

24. The TPL Budget currently includes no payments to insiders or related entities. Should TPL recover revenues from litigation from which it is obligated to pay distributions to the owners of the relevant patents, that payment will be reflected in the proposed budget.

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct. Executed this 7th day of November, 2014 at San Jose, California.

/s/ Arockiyaswamy Venkidu
AROCKIYASWAMY VENKIDU