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

13 In Re:

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

16 Debtor.

Case No.: 13-51589-SLJ-11

Chapter 11

Date: October 2, 2014

Time: 3:00 p.m.

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

Honorable Stephen L. Johnson

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

21 **DATED OCTOBER 1, 2014**

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

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

1 **ARTICLE I.**

2 **INTRODUCTION.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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ARTICLE II.
DEFINITIONS.

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

ARTICLE III.
OVERVIEW OF CHAPTER 11 AND PLAN

A. The Chapter 11 Process.

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

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

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

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

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

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

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

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

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

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

24 While debtor-in-possession and the Committee debated and negotiated the terms of a
25 still-nonexistent Chapter 11 plan, the MMP Portfolio has languished. No MMP Portfolio
26 license issued between August 2013 and September 11, 2014. Belatedly, and with timing
27 suspicious to Mr. Moore, an MMP license was announced on September 11, 2004. That single
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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

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

14 It is against this backdrop that Mr. Moore -

15 - the co-inventor of the MMP Portfolio of patents,

16 - still the person with the greatest individual stake in the success of the commercialization of
17 his invention, and

18 - a creditor in this case,

19 prepared and on August 28, 2014 submitted, his MMP Plan, *a Chapter 11 plan to move Debtor*
20 *TPL forward.*

21 Following Mr. Moore's submission of his MMP Plan, the Debtor-In-Possession and the
22 OCC submitted their own "Joint Plan" on September 4, 2014. The Joint Plan was improperly
23 unaccompanied by the supposed "September 4, 2014 Joint Disclosure Statement" that the Joint
24 Plan references. Finally, several weeks later, the promised Joint Disclosure Statement joined
25 the Joint Plan on file with the Bankruptcy Court. Hearing on the Joint Disclosure Statement is
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 presently set for October 14, 2014.²

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

3 The MMP Plan provides for payment in full (with interest) to Creditors holding
4 Allowed Claims, over a period of five years (subject to further extension upon Bankruptcy
5 Court approval). Distributions to Creditors will occur quarterly under the MMP Plan.

6 **C. Overview of the Plan.**

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

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

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

17 **D. Confirmation Hearing.**

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

22 The Confirmation Hearing may be adjourned from time to time without further notice
23 except for the announcement of the adjournment date made at the Confirmation Hearing or any
24

25
26
27 ² Mr. Moore believes that the Joint Plan is not confirmable in its present configuration. His
28 objection to the Joint Plan and Joint Disclosure Statement will be submitted separately on or
about October 1, 2014, and will be available on file with the Bankruptcy Court.

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

1 subsequently adjourned Confirmation Hearing.

2 **ARTICLE IV.**

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

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

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

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

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

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

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

25 Debtor TPL's business depends on maximizing the value of the patent portfolios it owns
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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

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

15 According to the Debtor’s previously filed Disclosure Statement, TPL identifies
16 companies whose products infringe the patents and works to license the MMP technology to
17 them. However, as Debtor has also disclosed, TPL has outsourced all of its licensing and
18 litigation-related activities to Alliacense, explaining that “TPL contracts with Alliacense ... as
19 its vendor to provide TPL with much of the needed technical expertise and marketing services.”
20 Historically, according to the Debtor, prior to 2007 Alliacense was part of the “TPL Group.” a
21 “marketing denomination” for Debtor TPL and its related entities. Indeed, to and into 2012, the
22 Alliacense website denominated Alliacense as “A TPL Enterprise.”

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25
26 ³ Apparently, some patent portfolios were acquired directly by Leckrone-
27 affiliated entities, with their licensing rights assigned to TPL for commercialization. Mr. Moore
28 believes that in such transactions, it was TPL that paid for the patents, even though it was the
Leckrone entity that took title to them.

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

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

12 **2. Recent Past**

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

16 As of August 20, 2014, there have been 515 separate items posted to the bankruptcy
17 case docket. Forty-seven items are motions to continue hearings or extend the time to submit
18 documents.⁴ In May 2014, Mr. Leckrone and the entire staff of TPL resigned from the
19 company; whatever new opportunity he is pursuing is unknown to Mr. Moore.⁵ In addition, Mr.
20 Leckrone has resigned his seat on the PDS Operating Committee, which has now been filled by
21 secured creditor Venkidu. The Captain and his crew have abandoned the ship, leaving it to the
22 creditor passengers to somehow navigate the company to safety, or to sink alone.

23 *The Status Quo: An Absence of Licensing Revenues.* The MMP Portfolio of patents is
24

25
26
27 ⁴ See Electronic Case Finder Docket History, case 13-51589 Technology Properties Limited
28 LLC. <https://ecf.canb.uscourts.gov/>.

⁵ See TPL Monthly Operating Report, Attachment RE Summary Item 11, page 12, May 2014.
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1 TPL's most valuable asset. At present, this asset is providing no revenue or benefit to TPL: the
2 last MMP license issued by PDS (resulting in revenue to TPL and its co-party
3 licensor/beneficiaries) of which Mr. Moore has detailed information was sold a full year ago, in
4 **August 2013**. As noted above, the only license issued since then is to an amusement park
5 operator, for no discernible return to TPL. The present MMP Portfolio licensing entity – Mr.
6 Leckrone's wholly owned company Alliacense – is unable or unwilling (or both) to license the
7 MMP Portfolio.

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

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

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

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

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

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

13 The full Commission result affirming Debtor TPL’s loss can be viewed at
14 <http://tinyurl.com/mzdbyre> (<http://tinyurl.com/mzdbyre>).

15 It gets worse.

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

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

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

8 The Commission's decision reversed the ALJ's ruling in favor of Debtor TPL on the
9 '623 patent: "...the Commission has determined to terminate the investigation with a finding of
10 no violation of section 337." Commission Decision at p. 3. For the '623 patent, the
11 Commission adopted respondents' construction of "accessible in parallel," thereby "reversing
12 the Initial Determination's finding of infringement as to that patent." *Ibid.*

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

24 Before the ITC, therefore, the handwriting is clearly on the wall for patent aggregators
25 and patent trolls – non-practicing entities whose sole activities relating to their patent portfolios
26 involve attempts to license and litigation against infringers. Debtor TPL itself has established
27 the International Trade Commission precedent by filing and failing on its CORE Flash case:
28

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1 entities that fit the **present** TPL/Alliacense business model will lack standing to protect their
2 patents before the ITC.

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

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

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

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

27 ***Other TPL litigation/the “FastLogic” case.*** TPL is also a party to other pending MMP
28 litigation in various federal courts. Results in those cases have not been realized, and the MMP
Plan makes no assumption or provision for recoveries that might be realized in those cases. The
MMP Plan assumes and anticipates that the Chapter 11 Trustee will assume supervision and
responsibility for such pending MMP litigation.

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

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

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

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

21 3. In the Delaware Fast Logic Litigation, the Debtor continues to assert
22 infringement claims against defendants, Micron Technology Inc., Sandisk
23 Corporation, STMicroelectronics, Inc., STMicroelectronics N.V., Toshiba
24 Corporation, Toshiba America Inc., and Toshiba America Electronic Components
25 Inc. (Case No. 11-cv-770, pending in the U.S.D.C., District of Delaware (the
26 "Delaware Court") alleging patent infringement of select patents in Debtor's Fast
27 Logic Portfolio, which is comprised entirely of now-expired patents. The Debtor
28 continues to claim that STMicro infringed U.S. Patent 5,030,853 (the "853 Patent").
The defendants have vigorously defended the patent infringement claims, and
certain defendants also filed counterclaims for non- infringement and invalidity of
all asserted patents.

4. On June 17, 2014, the Delaware Court issued its "Markman" ruling
which considered and expressly rejected the Debtor's proposed construction of
multiple critical claim terms, including the "predetermined factor" term, which is

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1 contained within every asserted claim of the 853 patent, attached as Exh. A. The
2 Delaware Court ruled that “predetermined factor” must be defined by “Equation 37,
3 and only that equation.” (Exh. A, Markman Op. at 5). Further, the Court ruled that
4 “while the patent discusses the design process, the claims are drawn to the finished
5 product.” *Id.* The Court commented that because Equation 37 includes variables
6 such as “desired rise time” that are not discernible from finished products, “proving
7 infringement using Equation 37 thus appears to present difficult issues.” *Id.*

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

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

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

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

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

38 Mr. Moore has no knowledge or information concerning the probability or likelihood of
39 any of the adverse events suggested by these Delaware Fast Logic Litigation defendants.
40 Should attorney’s fees and costs be assessed in the amounts indicated in the above objection,
41 the payment schedule set out in the MMP Plan may be retarded or otherwise impacted
42 adversely.

43 Mr. Moore understands that Mr. Leckrone’s company Alliacense provides litigation
44 support for plaintiffs HSM and Debtor TPL in the Delaware Fast Logic Litigation. Payments to
45 Alliacense for litigation support are costs that must be paid regardless of outcome of the case.

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1 Mr. Leckrone's company Alliacense, not a party to the case, will not be liable for any costs or
2 attorney's fees assessed against HSM and TPL if, as STMicroelectronics and Sandisk suggest,
3 the defendants prevail and the court assesses prevailing party attorney's fees in favor of the six
4 defendants and against HSM and TPL.

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

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

13 **3. Events Precipitating the Bankruptcy Filing.**

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

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

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

22 On March 20, 2013 (the "Petition Date"), the Debtor filed its Voluntary Petition under
23 Chapter 11 of the Bankruptcy Code. Presently, the Debtor is operating as a debtor in
24 possession pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code. The
25 Debtor's counsel is as follows:

26 Heinz Binder / Robert G. Harris
27 Binder & Malter, LLP
28 2775 Park Avenue
Santa Clara, CA 95050

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2. Official Unsecured Creditors' Committee.

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

The Committee's counsel is as follows:

John Walshe Murray
Dorsey & Whitney LLP
305 Lytton Avenue
Palo Alto, CA 95014

3. Appointment of Responsible Person.

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

4. Retention of Professionals.

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

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

5. Allowance of Fees of Court-Appointed Professionals.

To date, there has been one application filed for the allowance of fees of the Court-appointed professionals. On April 10, 2014, the Bankruptcy Court entered its "Order Re First Application For Interim Compensation And Reimbursement Of Expenses By Attorneys For

1 Official Committee of Unsecured Creditors.” Committee counsel Dorsey & Whitney LLP was
2 thereby allowed \$876,448.50 as an Interim Fee Award (with \$5,312.17 in expenses); the Court
3 deferring consideration of an additional \$292,149.50 requested by the firm.

4 **6. Use of Cash Collateral.**

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

6 **7. Bankruptcy Administration Matters.**

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

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

14 **8. Assets.**

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

22 **9. Liabilities.**

23 TPL lists in its June 2014 Operating report secured claims of \$10,728,180, priority
24 unsecured claims of \$9,026,825 and general unsecured claims of \$50,014,917. Total liabilities

25 _____
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27
28 ⁶ See “Chapter 11 Monthly Operating Report”, Technology Properties Limited LLC, Case number 13-
51589, April 2014.

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1 for TPL are \$72,849,138 as of June, 2014. The MMP Plan provides for full payment of such of
2 those liabilities as are advanced by non-TPL insiders.

3 **10. Non-bankruptcy Events.**

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

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

21 TPL and the Committee participated in two full days of mediation before the Honorable
22 Dennis Montali on October 9-10, 2013, an effort that proved to be unsuccessful. The
23 Committee filed a motion to terminate the exclusive right of TPL to solicit and confirm a plan
24 of reorganization, which was granted by the Bankruptcy Court. The Committee's success in
25 ending exclusivity led to the Committee's preparation and filing of its February 14, 2014 plan
26 and disclosure statement (since abandoned). The Committee also filed, but failed to press, a
27 motion to appoint a chapter 11 trustee. It sought to investigate and prosecute pre-petition claims
28

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1 against the insiders of the Debtor. The Committee agreed to stay its investigation and
2 prosecution of such claims in favor of negotiations with the Debtor on a Joint Plan and Joint
3 Disclosure Statement.

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

11 Meanwhile, with hearing on the Moore MMP Disclosure Statement set for October 2,
12 2014, Mr. Moore’s counsel received a copy of a September 18, 2014 “open letter” to the
13 Officers and Board of Directors of Patriot (Patriot is a TPL creditor with a representative
14 member on the Committee). This open letter is signed for and on behalf of 75 Patriot
15 shareholders, and by its terms it requests submission of a copy of the letter and its
16 accompanying shareholder list “in whatever form may be acceptable” to the Bankruptcy Court.
17 To accommodate that request, and in the interest of full disclosure of the position of all
18 interested parties and persons in this matter, a true and correct copy of this open letter in
19 support of the MMP Plan is attached as Exhibit 1 to this MMP Disclosure Statement and is
20 incorporated by this reference.

21 During the pendency of the Bankruptcy Case, several judicial decisions have been
22 entered. In the Debtor’s ongoing litigation before the ITC alleging infringement of claims of the
23 US’336 patent within the MMP portfolio, only three out of over 20 named defendants settled
24 by purchasing licenses under the patent. In September 2013, the ITC issued a decision finding
25 that **none** of the over 20 named defendants had infringed any of the claims. In October 2013, in
26 the litigation on the same issues in the Northern District of California, the District Court ruled
27 in favor of the Debtor against HTC Corporation, but only a tenth of the requested damages
28

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1 were awarded to TPL. (Notably, at trial, in response to arguments that damages should be
2 limited based on settlements entered into with other licensees and one license in particular, Mr.
3 Leckrone had to argue that the particular settlement with that licensee was not a true
4 comparable because the low settlement was accepted not as commensurate with the value of
5 the license conferred but to provide revenue for cash-strapped TPL.)

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

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

21 TPL stands in need of new management and a new direction.

22 **C. Secured Claims.**

23 **1. CCC**

24 CCC and TPL entered into an agreement in March of 2012 (the “Settlement
25 Agreement”) to settle a lawsuit arising from TPL's lease of the property located at 20400
26 Stevens Creek Boulevard in Cupertino California. (*Cupertino City Center Buildings v.*
27 *Technology Properties Limited LLC*, Superior Court of California, County of Santa Clara Case
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 No. 110-CV-186192). Under the Settlement Agreement, TPL promised to pay CCC a total of
2 \$1.3 million in installments at \$50,000 per month over time. This promise was secured by a
3 continuing security interest in TPL's share of the proceeds of the following of certain portfolios.
4 CCC claims to have perfected its security interest by filing a UCC-1 with the California
5 Secretary of State on February 27, 2012.

6 **2. Daniel E. Leckrone**

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

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

15 **3. Venkidu.**

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

20 Under the Venkidu Security Agreement, Mr. Venkidu was granted a security interest in
21 the CORE Flash Portfolio. Mr. Venkidu recorded UCC-1 financing statements with the
22 California Secretary of State of California and claims thereby to have perfected his security
23 interests in the CORE Flash Portfolio and proceeds therefrom. Financing Statements were
24 recorded in 2006 and, following expiration, again on April 12, 2012. (Because of a lapse in
25 perfection of the Venkidu secured claim during 2012, the Venkidu claim is now behind the
26 Leckrone claim in lien priority.) During the Bankruptcy Case, the Court approved the granting
27 of a security interest in the MMP Portfolio as additional adequate protection of his pre-petition
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1 security interest.

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

4 **4. Lien Priority**

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

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

12 TPL lists in its June 2014 operating report secured claims totaling \$10,728,180,
13 unsecured priority claims totaling \$9,026,825, and general unsecured claims totaling
14 \$50,014,917.

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

19 **ARTICLE V.**

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

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

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

8 **B. Classified Claims:**

9 1. Class 1 (Priority Claims).

10 Class 1 consists of all Priority Claims.

11 2. Class 2 (CCC Claim).

12 Class 2 consists of the CCC Claim.

13 3. Class 3 (Leckrone Secured Claim).

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

16 4. Class 4 (Venkidu Claim).

17 Class 4 consists of the Venkidu Claim.

18 5. Class 5 (Administrative Convenience Claims).

19 Class 5 consists of all Administrative Convenience Claims.

20 6. Class 6 (Non-Insider General Unsecured Claims).

21 Class 6 consists of **non-insider** general Unsecured Claims not included or provided for
22 in any other Class, including all Unsecured Claims of vendors and trade Creditors for goods
23 delivered or services provided to the Debtor prior to the Petition Date. Class 6 includes the
24 Browns claim, which is based upon the Browns Judgment.

25 7. Class 7 (Employee Claims).

26 Class 7 consists of Employee Claims.

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1 8. Class 8 (13% Claims).

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

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

4 Class 9 consists of any Non-Insider Claims resulting from Rejected Executory
5 Contracts.

6 10. Class 10.

7 Class 10A consists of all Insider Unsecured Claims.

8 Class 10B consists of any Insider Claims resulting from Rejected Executory contracts.

9 11. Class 11 (Interests).

10 Class 11 consists of those parties who hold interests in Debtor TPL.

11 **ARTICLE VI.**

12 **TREATMENT OF UNCLASSIFIED CLAIMS**

13 Unclassified Claims shall be treated as follows:

14 **Administrative Claims.**

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

22 Any request for allowance of an Administrative Claim, other than Professional Fee
23 Claims (discussed below), must be filed on or before the Administrative Claims Bar Date. If
24 the holder of an Administrative Claim does not file and serve a request for payment of such
25 Claim on or before the Administrative Claims Bar Date, the holder shall be forever barred from
26 asserting such Claim or receiving any payment on account of such Claim. Any objection to the
27 allowance of an Administrative Claim (excluding any Professional Fee Claims) shall be filed
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 no later than the Administrative Claims Objection Deadline. If no objection to the applicable
2 Administrative Claim is filed on or before that date, such Administrative Claim shall be deemed
3 Allowed as of that date. The foregoing is in full and final satisfaction of all Administrative
4 Claims.

5 **Professional Fee Claims.**

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

17 **Priority Tax Claims.**

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

23 **ARTICLE VII.**

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

25 Under Bankruptcy Code Section 1124(1), a claim is impaired if the plan changes the
26 claim holder's legal, equitable, and contractual rights. Creditor Moore believes that the holders
27 of Claims in Classes 1, 2, 3 and 4 are not Impaired under the MMP Plan; such unimpaired
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 claims shall receive the treatment described below:

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

3 Holders of Allowed Priority Claims shall receive the following treatment under the
4 MMP Plan: Except to the extent that the holder of a particular Allowed Priority Claim has
5 agreed to a less favorable treatment of such Claim, each holder of an Allowed Priority Claim
6 shall be paid in cash from the Claims Trust Account, in full upon the later of: (a) the Effective
7 Date; or (b) if such Claim is initially a Disputed Claim, when and if it becomes an Allowed
8 Claim. The foregoing is in full and final satisfaction of all Class 1 Claims. To the extent the
9 holder of an Allowed Priority Claim also holds an Allowed Claim in excess of the amount of its
10 Allowed Priority Claim, such excess shall be treated as an Unsecured Claim in Class 6A or
11 Class 6B, as applicable.

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

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

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

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

27 The foregoing is in full and final satisfaction of all Class 2 Claims.

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

1 **C. Class 3 (Leckrone Secured Claim).**

2 Because Leckrone's purported secured claim gained priority over the Venkidu claim
3 due to a lapse in security perfection by Venkidu during 2012, and because Leckrone has never
4 been paid either interest or principal on account of his purported contract and its secured
5 interest, the Leckrone Secured Claim has been afforded second priority among the TPL secured
6 claims, to be paid or funded (subject to resolution of its Disputed Claim status) behind the
7 claim in Class 2. Unless otherwise provided by order of the Bankruptcy Court, pursuant to §
8 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, the Leckrone Secured
9 Claim shall be entitled to all valid and perfected liens, security interests and other
10 encumbrances affecting property of the Debtor or the Reorganized Company granted in favor
11 of Leckrone prior to the Effective Date, including those granted in the Cash Collateral Order.

12 The Class 3 Leckrone Secured Claim is deemed a Disputed Claim by the MMP Plan.
13 Within 30 days of the Effective Date, the Chapter 11 Trustee shall file an objection to the
14 Leckrone Secured Claim and shall commence an adversary proceeding to avoid, re-characterize
15 and/or to subordinate such Secured Claim (absent negotiation with Leckrone resulting in his
16 subordination of the alleged Leckrone Secured Claim behind all claims of non-insider
17 Creditors).

18 Absent resolution of the above-referenced adversary proceeding, or settlement through
19 subordination as described above, and following payment in full of the Class 2 Claim, the
20 Chapter 11 Trustee shall make provision for payment of the Leckrone Secured Claim by
21 funding the Leckrone Claim Set Aside in the Disputed Reserve Account, utilizing the Quarterly
22 Payment(s) received after payment in full of the Class 2 Claim for that purpose. The Leckrone
23 Claim Set Aside shall accrue and remain until there is a Final Order determining the amount of
24 the Allowed Leckrone Claim (including interest from the date of filing at the rate of 5% simple
25 interest from the Petition Date); provided, however, that the Bankruptcy Court shall have the
26 power to reduce the amount of the Leckrone Claim Set Aside upon motion by the Chapter 11
27 Trustee or by any other party in interest. Upon entry of a Final Order (plus time for appeal)

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1 determining the amount of the Allowed Leckrone Claim, the Leckrone Claim Set Aside shall be
2 used in whole or in part for payment of the Allowed Leckrone Claim in the appropriate amount,
3 plus interest, and the Leckrone Claim Set Aside shall be terminated. To the extent there are
4 funds remaining in the Leckrone Claim Set Aside after payment of the Allowed Amount of the
5 Leckrone Claim, such excess funds shall be returned to the Claims Trust Account and
6 accounted for as a portion of the next Quarterly Payment received.

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

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

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

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

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

27 Upon satisfaction and/or treatment of the Venkidu Claim pursuant to this Class 4, all
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 liens, security interests and other encumbrances affecting property of Debtor TPL or the
2 Reorganized Company granted in favor of Venkidu shall automatically be extinguished and
3 terminated.

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

5 **ARTICLE VIII.**

6 **TREATMENT OF CLASSES OF CLAIMS AND INTERESTS**

7 **THAT ARE IMPAIRED UNDER THE MMP PLAN**

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

13 **A. Class 5 (Administrative Convenience Claims).**

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

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

21 **B. Class 6 (Non-Insider General Unsecured Claims).**

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

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

2 **C. Class 7 (Employee Claims).**

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

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

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

12 Holders of Class 8 Allowed Claims shall receive payment in full over time as follows:
13 Holders of Allowed 8 Claims shall be deemed Allowed in an amount equal to 100% of their
14 Claims, and will receive quarterly *pro rata* payments of (i) 100% of the Quarterly Payment
15 from the Creditor Claims Trust after Allowed Claims in Class 1, Class 2, Class 3, Class 4,
16 Class 5, Class 6 and Class 7 have been paid, or reserved for, in full and (ii) interest on their
17 claims from the Petition Date calculated at five percent *per annum*.

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

19 **E. Class 9 – Non-Insider Rejected Executory Contract Claims.**

20 Holders of Class 9 Allowed Claims shall receive payment in full over time as follows:
21 Holders of Allowed 9 Claims, if not disputed, shall be deemed Allowed in full, following the
22 payment in full of, or reservation for, Allowed Claims in Class 1, Class 2, Class 3, Class 4,
23 Class 5, Class 6, Class 7 and Class 8, and shall receive *pro rata* distributions of 100% of the
24 Quarterly Payment, up to the full Allowed Claims amount, without interest, in accordance with
25 the timing and schedule set forth at Section VII-F-4 of the MMP Plan.

26 The foregoing is in full and final satisfaction of all Class 9 Claims.

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1 **F. Class 10.**

2 1. Class 10A (Insider Claims)

3 Holders of Class 10A Allowed Claims shall receive payment over time as follows:

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

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

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

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

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

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

20 **G. Class 11 (Interests).**

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

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

26 **Class Members**

27 The MMP Plan provides a list of all class members, their Class, priority amount,
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1 Secured amount and total amount claimed. Note: Some of the claims listed in the MMP Plan
2 may be duplicates, some may be disputed as well and therefore may be eliminated, reduced or
3 reclassified from the list of claims.

4 **ARTICLE IX.**

5 **IMPAIRMENT OF CLASSES; VOTING OF CLAIMS**

6 Class 1, Class 2, Class 3 and Class 4 are unimpaired by the MMP Plan and are deemed
7 to accept the MMP Plan. Class 5, Class 6, Class 7, Class 8, Class 10A and Class 11 are
8 Impaired by the Plan and are entitled to vote on the Plan. Since Class 9 and Class 10B are
9 nonexistent and unknown at this time, they are deemed to accept the MMP Plan.

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

18 **ARTICLE X.**

19 **IMPLEMENTATION OF THE PLAN**

20 **A. Business Operations and Expenses of the Reorganized Company.**

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

26 At the outset, the Chapter 11 Trustee will review the Reorganized Company’s
27 operations with a view to reducing its overhead. Only two TPL employees are contemplated,
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1 the Chapter 11 Trustee (whose salary exclusive of benefits will not exceed \$240,000 per
2 annum) and an Administrative Assistant of the Chapter 11 Trustee's choosing at a salary of not
3 more than \$72,000 per annum, exclusive of benefits. The Chapter 11 Trustee shall in addition
4 hire accountants and counsel, but the total annual budget for TPL shall not exceed \$1,000,000.

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

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

16 **B. New Management**

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

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

27 Within thirty days (30 days) of entry of a Bankruptcy Court Order removing the
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1 debtor-in-possession and ordering the appointment of a Chapter 11 Trustee, the United States
2 trustee shall convene a meeting of the creditors for the purpose of electing a Chapter 11 Trustee
3 to manage and supervise Debtor TPL, under the provisions of 11 U.S.C. §§ 1104(b)(1) and 702
4 (a), (b), and (c). Upon election, and no later than the Effective Date, the Chapter 11 Trustee will
5 perform the duties and responsibilities, and possess and be charged with, the rights, powers and
6 liabilities, set out in the Bankruptcy Code and under the Bankruptcy Rules, and specified in this
7 MMP Plan, including but not limited to:

- 8 1. Performing the duties described in 11 U.S.C. § 1106 (excepting the duty to file a
9 reorganization plan imposed by 11 U.S.C. § 1106(a)(5);
- 10 2. Acting as Chairman and CEO of the Reorganized Company until the MMP Plan
11 has concluded and the Bankruptcy Case has terminated;
- 12 3. Prepare the annual TPL strategic business plan and obtaining approval of the
13 same by the TPL Board of Directors;
- 14 4. Managing and supervising the day-to-day operations of TPL;
- 15 5. Reviewing (as to viability and profitability) all non-MMP Portfolio licensing
16 and litigation operations of TPL, disposing of and/or abandoning those non-
17 MMP Portfolio licensing operations that cannot be operated to TPL's benefit,
18 and managing and operating those non-MMP Portfolio licensing and litigation
19 operations that are determined to be productive assets of TPL;
- 20 6. Litigating and resolving, through judgment or settlement, the question of
21 allowance of the Disputed Leckrone Secured Claim;
- 22 7. Reviewing any and all pre-bankruptcy transfers of TPL assets during the
23 years prior to the Petition Date to determine whether any such transfers should
24 be challenged as fraudulent conveyances or fraudulent transfers, including
25 without limitation evaluating the following:
26 - the 2012 transfer of licensing rights to the MMP portfolio from Debtor TPL to
27 Alliacense, a company owned by Mr. Leckrone, with no compensation or
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 consideration provided to TPL and with Alliacense gaining entitlement to 20%
2 of gross MMP licensing revenues and the right to payment for “litigation
3 support” services in all TPL-funded litigation;
4 - the transfer of the “OnSpec” portfolio patents to a Leckrone entity, with no
5 compensation or consideration provided to TPL, with TPL funding the
6 acquisition of the patents;
7 - Mr. Leckrone’s acquisition of the “Fast Logic” portfolio of patents in a
8 transaction resulting in (1) a TPL guarantee of Leckrone entity payment for the
9 patents, resulting in TPL funds being used to make substantial payments to the
10 seller when the Leckrone entity did not or could not make such payments; (2)
11 TPL-funded Fast Logic litigation in which the Leckrone entity stands to reap
12 millions of dollars from any infringement award without payment of litigation
13 expenses; (3) retention of the Leckrone entity Alliacense for litigation support in
14 that litigation; (4) massive exposure of Debtor TPL in the event of loss in that
15 litigation and a prevailing party attorney’s fee award in favor of the defendants,
16 without any exposure for Alliacense and without risk to the otherwise assetless
17 Leckrone entity;
18 - the acquisition by TPL of the “Chipscale” portfolio of patents, with Debtor
19 TPL liable for payment for the patents (the Chipscale sellers are a creditor in this
20 case), in a transaction in which Mr. Leckrone transferred the Chipscale patents
21 from TPL to himself, with no compensation or consideration provided to TPL,
22 on the same day that TPL acquired those patents;
23 - Mr. Leckrone’s unexplained transfer of \$15 million (\$15,000,000.00) from
24 TPL to his company Alliacense, with no apparent basis for the transfer or benefit
25 to TPL, contemporaneously with his claimed “loan” of some \$3.8 million from
26 his personal funds (the result being that Mr. Leckrone’s secured claim in this
27 case apparently derives from a loan of Debtor TPL’s own money to itself).
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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

26 In addition, prior to the Effective Date the Committee shall select two of its members to
27 become members of the Board of Directors of TPL who shall, along with the Chapter 11
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 Trustee acting as Chairman of the Board, make up a three-member board tasked to perform the
2 following:

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

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

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

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

25 **C. IP Portfolio Management**

26 Except for the MMP Portfolio (discussed below), the Chapter 11 Trustee shall have
27 wide latitude to develop commercialization plans or other programs to maximize the value and
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

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

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

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

22 **D. MMP Portfolio Management**

23 *The Status Quo: An Absence of Licensing Revenues.* The MMP Portfolio of patents is
24 TPL’s most valuable asset. At present, this asset provides no revenue or benefit to TPL: the last
25 MMP license issued by PDS (resulting in revenue to TPL and its co-party
26 licensor/beneficiaries) was sold a full year ago, in **August 2013**. The present MMP Portfolio
27 licensing entity – Mr. Leckrone’s wholly owned company Alliacense – is unable or unwilling
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 (or both) to license the MMP Portfolio.

2 The MMP Plan eliminates any basis for characterization of TPL, PDS, Mr. Moore or
3 their new licensing agent as patent trolls. The MMP Plan changes Debtor TPL's posture from
4 patent aggregation to patent enhancement.

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

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

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

24 MIG will be Mr. Moore's wholly owned company. Mr. Moore will serve as MIG's
25 Chairman of the Board, and he will be the public face of the company and of its MMP patent
26 enhancement and licensing effort. MIG's board of directors will initially consist of Mr. Moore
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 (as Chairman) and two additional individuals, one to be named by Mr. Moore and the other to
2 be named from members of the Creditors' Committee willing to serve.

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

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

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

23 Under the MMP Plan:

- 24 1. Debtor TPL and MIG will execute a new commercialization agreement for the
25 MMP Portfolio (the "TPL/MIG Agreement"), affording all MMP licensing rights
26 and authority to MIG that were previously granted to Alliacense under the rejected
27 2012 Agreements. The TPL/MIG Agreement will mandate that all MMP licensing
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revenues be paid over to PDS, which shall be expected and required to account for and to apportion those revenues under the assumed January 23, 2013 Settlement Agreement;

2. Under the TPL/MIG Agreement, MIG shall be entitled to retain a commission of 20% of its gross MMP licensing revenues, as well as a 5% commission on net litigation revenues generated for TPL, Patriot and Mr. Moore.
3. Under the TPL/MIG Agreement, PDS shall retain its rights as sole licensor of the MMP Portfolio; MIG shall be empowered and authorized as the sole entity entitled to negotiate such licenses and present them to PDS for approval.
4. The Chapter 11 Trustee shall be authorized to negotiate an agreement with PDS under which PDS will provide support for MIG in the form of a quarterly advance of \$250,000 for three years, to be repaid from commissions earned from licensing revenues and litigation recoveries generated by MIG. It is anticipated that this agreement, desirable but not necessary under the MMP Plan, will be attainable, given that the MMP Plan relieves PDS of a continuing obligation to provide a \$500,000 quarterly advance to TPL for licensing (because of the reversion to the original 2005 agreement between PTSC, TPL and Mr. Moore) that has produced no revenue since August 2013.
5. The Chapter 11 Trustee shall be authorized to negotiate any other contracts necessary to aid in the execution of the MMP Plan.

Under the MMP Plan, a manager (“MIG Manager”) with licensing experience and the ability to run a low-cost, high-output, patent enhancement/patent licensing organization will be selected by the MIG Board. The MIG manager will be charged with managing the commercialization, licensing and litigation of the MMP portfolio. MIG shall in no event

1 become involved with the licensing of TPL's other patent portfolios.⁷

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

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

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

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

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

19 To secure the Reorganized Company's performance of the MMP Plan, on or before the
20 Effective Date, the Chapter 11 Trustee shall cause the Reorganized Company to execute and
21 file a security agreement and all other necessary documents to effect the grant of the Unsecured
22 Claimants Security Interest to the Chapter 11 Trustee. Such security agreement shall provide
23 that in the event of an early termination of the Plan (i.e., conversion to Chapter 7) or a breach of
24 the Plan that is not cured pursuant to the cure procedures set forth below in Section XV of the

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27 ⁷ See Appendix 2 to the MMP Plan Disclosure Statement for additional details and forecasts
28 related to Moore Innovations Group.

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1 Plan, the Chapter 11 Trustee shall be afforded the right to sell, foreclose, license, lease,
2 hypothecate and transfer the Reorganized Company's property without need for further Court
3 order, subject to applicable law.

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

10 The Chapter 11 Trustee shall be authorized to file a UCC-1 financing statement or other
11 evidence of the Unsecured Creditors' Security Interest as may be reasonably requested by the
12 Committee. Upon the payment in full with interest under the Plan of all Allowed Claims in
13 Class 6 and 8, the Unsecured Creditors' Security Interest shall be deemed discharged, and the
14 Chapter 11 Trustee shall file and/or record such termination statements as may be necessary to
15 establish and to evidence extinguishment of the lien.

16 **G. Creditors' Committee.**

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

18 **H. Distributions To Creditors.**

19 1. Establishment of Claims Trust Account.

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

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

25 On the Effective Date, and thereafter for the duration of the MMP Plan, the Chapter 11
26 Trustee shall require and direct that TPL's share of MMP-portfolio sourced distributions from
27 PDS shall be deposited directly by PDS into the Claims Trust Account. In addition, no later
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 than three Business Days after the close of each full calendar quarter following the Effective
2 Date, the Chapter 11 Trustee shall cause the Reorganized Company to deposit the portion of the
3 Quarterly Payment for which it is responsible (i.e., the 20% of Gross Revenue and NOP) into
4 the Claims Trust Account; provided, however, that in any quarter in which such deposit of the
5 Quarterly Payment to the Claims Trust Account would, in the Reorganized Company's
6 reasonable opinion, result in a reduction of the WCR, then, following consultation with and
7 receipt of written approval of the TPL Board as to such said reduction, the Quarterly Payment
8 for that quarter shall be reduced accordingly. Such reduction shall not constitute a default
9 under the Plan provided, however, that the Reorganized Company has deposited the aggregate
10 of 20% of Gross Revenue during each calendar quarter. The Disbursing Agent shall distribute
11 from the Claims Trust Account the sums specified in the Plan on the Distribution Dates
12 specified in the Plan.

13 3. Quarterly Distribution Report.

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

25 4. Timing of Distributions.

26 Except as otherwise provided in the MMP Plan, the Chapter 11 Trustee shall, as
27 Disbursing Agent, pay all Class 1 and Class 5 Allowed Claims on the Effective Date. Failure
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 to pay any Allowed Claim in Class 1 or Class 5 as required under the MMP Plan shall
2 constitute a Plan default unless the Disbursing Agent pays the amount due on account of such
3 Allowed Claim as required under the MMP Plan within thirty days of the Effective Date.

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

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

14 5. Distribution Addresses; Undeliverable Distributions.

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

4 6. Withholding Taxes.

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

12 7. Fractional Amounts.

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

17 8. De Minimis Distributions.

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

24 9. Time Bar to Cash Payments.

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

7 10. Modification of Payment Terms.

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

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

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

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

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

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

25 **K. Responsible Person.**

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

12 **L. Disbursing Agent.**

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

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

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

23 **N. Employee Benefit Plans.**

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

6 **O. Further Orders.**

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

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

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

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

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

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

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

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

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

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

18 **R. Notice Procedure.**

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

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

6 1. U.S. Trustee Fees.

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

12 2. Post-Confirmation Reports.

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

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

22 **T. Final Decree.**

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

10 **ARTICLE XI.**

11 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

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

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

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

23 **B. Defaults.**

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

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

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

14 **D. Rejection Claims**

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

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

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

4 **F. Excluded Contracts**

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

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

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

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ARTICLE XII.

PROOFS OF CLAIM; OBJECTIONS

A. Time for Filing Proofs of Claim.

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

B. Ownership and Transfers of Claims.

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

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

C. Amendments to Claims.

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

D. Claim Objections.

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

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

7 **E. Disputed Claims.**

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

14 **F. Distributions**

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

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1 **ARTICLE XIII.**

2 **RETAINED CLAIMS**

3 **A. Prosecution of Retained Claims**

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

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

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

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

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

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

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

21 Immediately upon confirmation of the MMP Plan, the Chapter 11 Trustee shall dismiss
22 without prejudice (a) the Browns/TPL Appeal; and (b) the TPL/Moore 'Roe' Litigation.
23 Subject to the Chapter 11 Trustee's business judgment, in consultation with the Board of
24 Directors, regarding the pursuit of any particular Retained Claim (which may entail evaluation,
25 among other things, of the cost of pursuing such Retained Claim), the Reorganized Company
26 by and through the Chapter 11 Trustee shall be authorized to pursue all Retained Claims.
27 Without limiting the generality of the scope of the previous paragraphs, the Retained Claims
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1 identified at this time include: (a) the Patent Actions which include, without limitation, any and
2 all infringement claims before the ITC and various United States District Courts for the Eastern
3 District of Texas, the District of Delaware and the Northern District of California involving the
4 MMP Portfolio, the CORE Flash Portfolio and the Fast Logic Portfolio; (b) any and all claims
5 and causes of action identified in the Debtor's Schedules and Statement of Financial Affairs;
6 and (e) any and all actions against Venkidu, Onspec, Chipscale, and Indigita, and against all
7 present and past insiders and senior management of TPL, including without limitation, Dwayne
8 Hannah, Mike Davis, Susan Anhalt, Mac Leckrone, Leckrone, Janet Neal, Nick Antonopoulos,
9 Interconnect Portfolio, John Leckrone, Alliacense, Eric Saunders, Michael Montvelishsky,
10 William Martin and any and all entities wholly-owned or partially owned by Leckrone, which
11 actions may include, without limitation, whether asserted directly or under an alter ego theory,
12 actions to subordinate, recharacterize and/or avoid claims, to challenge the validity of liens, to
13 recover preferences and fraudulent conveyances, for breach of fiduciary duty, for usurpation of
14 corporate opportunity, for unfair business practices, for conversion, for misappropriation of
15 funds, for fraud and for misrepresentation.

16 **ARTICLE XIV.**

17 **REQUEST FOR CONFIRMATION**

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

23 **ARTICLE XV.**

24 **RETENTION OF JURISDICTION**

25 Notwithstanding the entry of the Confirmation Order and the occurrence of the
26 Effective Date, the Bankruptcy Court shall retain and have all authority and jurisdiction as is
27 allowed under the Bankruptcy Code and other applicable law to enforce the provisions,
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1 purposes, and intent of this Plan, including matters or proceedings that relate to:

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

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

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

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

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

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

25 (g) Any matters related to the assumption, assumption and assignment, or rejection
26 of any executory contract or unexpired lease to which the Debtor or the Reorganized Company
27 is a party and to hear, determine and, if necessary, liquidate, any claims arising from, or cure
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1 amounts related to, such assumption or rejection;

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

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

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

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

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

27 (m) Implementation of the provisions of the MMP Plan and entry of such orders (i)
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1 in aid of Confirmation of the Plan or (ii) as are necessary or appropriate if the Order of
2 Confirmation is for any reason modified, stayed, reversed, revoked, or vacated;

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

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

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

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

15 **ARTICLE XVI.**

16 **EFFECT OF CONFIRMATION**

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

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

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

26 **B. Vesting Of Property.**

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

7 **C. Discharge.**

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

21 **D. Exculpation.**

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

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

10 **E. Injunction.**

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

17 **F. Preservation of Insurance.**

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

22 **G. Reservation of Powers.**

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

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1 **ARTICLE XVII.**

2 **MISCELLANEOUS**

3 **A. Injunctions and Stays.**

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

7 **B. No Admissions.**

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

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

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

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

23 **D. Modification of Plan.**

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

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

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

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

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

12 **F. Plan Interpretation.**

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

23 **G. Governing Law.**

24 Except to the extent that the Bankruptcy Code or other federal law is applicable, the
25 rights, duties and obligations of the Chapter 11 Trustee, the Debtor, the Reorganized Company,
26 its Board of Directors, all Creditors and any other Person arising under the MMP Plan shall be
27 governed by, and construed and enforced in accordance with, the laws of the State of California,
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1 without giving effect to California's choice of law provisions.

2 **H. Setoff/Recoupment.**

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

11 **I. Waiver.**

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

15 **J. Notices.**

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

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

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

24 If to Charles H. Moore:

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

With a copy to:

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

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

11 **K. Reservation of Rights.**

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

23 **L. Severability**

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

27 **ARTICLE XVIII.**

28 **DEFAULT PROVISIONS**

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

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

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

17 **ARTICLE XIX.**

18 **OVERRIDING PROTECTIONS FOR LICENSEE PARTIES**

19 **A. Scope and Intent of This Article**

20 As a settlement of the Licensee Objectors' concerns and objections, this Article is
21 included to effectuate the parties' intent to eliminate any adverse effects or prejudice of the
22 MMP Plan or Confirmation Order or termination of the Plan or conversion to Chapter 7,
23 pursuant to Article XVIII or otherwise, on the Licensee Parties' licenses, claims, rights,
24 interests and defenses. This Article XIX shall apply comprehensively to preserve all Licensee
25 Parties' rights, licenses, claims, rights, interests and defenses, as described herein,
26 notwithstanding any other provision of the Plan or the Confirmation Order. To the extent any
27 direct or indirect conflict exists between this Article and any other provision of the MMP Plan,
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1 including Article XVI or Confirmation Order, this Article shall control. That is, this Article
2 shall create an exception to any conflicting provision or consequence of the Plan as if expressly
3 cross-referenced therein.

4 **B. Confirmation Order**

5 The Confirmation Order shall incorporate and reaffirm this Article XIX in its entirety,
6 together with the definitions used herein.

7 **C. Amendments to Article XIX**

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

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

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

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

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

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

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

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

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

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

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

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

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

26 **I. Reserved Objections**

27 If and to the extent that any challenge or dispute is made with respect to any licenses,
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1 rights, property, interests, claims or defenses or other benefits preserved for Licensee Objectors
2 herein, such Licensee Objectors may not only defend on the basis of this Article XVI, but also
3 on the basis of any or all of the prior objections and arguments of Licensee Objectors, all of
4 which are reserved defensively to protect them from any such challenge or dispute.

5 Furthermore, nothing in the MMP Plan or Confirmation Order or the operation of Article XVIII
6 shall constitute a waiver by any Licensee Objector of such party's rights under *Stern v.*
7 *Marshall*, 131 S. Ct. 2594 (2011), or *Bellingham Ins. Agency, Inc. v. Arkin (In re Bellingham*
8 *Ins. Agency, Inc.)*, 702 F.3d 553 (9th Cir. 2012), to challenge the jurisdiction of the Bankruptcy
9 Court to issue a final judgment.

10 **ARTICLE XX.**

11 **RISK FACTORS.**

12 Holders of Claims against the Debtor should read and consider carefully the factors set
13 forth below, as well as the other information set forth in this MMP Disclosure Statement (and
14 the documents delivered together herewith and/or incorporated herein by reference), prior to
15 voting to accept or reject the Plan. If any of the risk factors discussed below materialize,
16 thereby hindering the Debtor's or Reorganized Company's ability to successfully reorganize
17 and/or consummate the Plan, the Debtor and/or Reorganized Company may pursue other
18 alternatives such as a liquidation or further reorganization under the Bankruptcy Code or
19 applicable state law. This could result in distributions to Creditors which are less than the
20 Distributions provided under the Plan; however, in any such instance, distributions still would
21 likely exceed payment to Creditors in a Chapter 7 scenario where there would be no license to
22 liquidate the Company's inventory. The below risk factors should not be regarded as
23 constituting the only risks involved in connection with the Plan and its implementation.

24 **A. Certain Bankruptcy Considerations.**

25 Although Mr. Moore believes that the Plan will satisfy all requirements necessary for
26 Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court or
27 any court hearing an appeal from the Confirmation Order will reach the same conclusion.

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1 Moreover, there can be no assurance that modifications to the Plan will not be required for
2 Confirmation or that such modifications would not necessitate the re-solicitation of votes. In
3 addition, although the Debtor believes that the Effective Date will occur soon after the
4 Confirmation Date, there can be no absolute assurance in this regard.

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

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

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

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

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

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

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

21 **ARTICLE XXII:**

22 **VOTING PROCEDURES AND REQUIREMENTS.**

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

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

26 **B. Definition of Impairment.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 **E. Procedures.**

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

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

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

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

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

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

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

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

5 **ARTICLE XXIII:**

6 **CONFIRMATION PROCEDURES; OBJECTIONS TO CONFIRMATION**

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

8 **A. Confirmation Hearing.**

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

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

23 For the Debtor:
24 Heinz Binder / Robert G. Harris
25 Binder & Malter, LLP
26 2775 Park Avenue
27 Santa Clara, CA 95050
28 emails: Heinz@bindermalter.com
RobertHarris@bindermalter.com

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Mr. Moore believes that all of the foregoing requirements have been or will be met prior
25 to the Confirmation Hearing. Specifically, Mr. Moore believes: (1) the Plan is in the best
26 interests of Creditors, in that holders of all Allowed Claims will receive payments under the
27 Plan having a present value as of the Effective Date of the Plan in amounts not less than the
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 amounts likely to be received if the Debtor was liquidated in a case under Chapter 7 of the
2 Bankruptcy Code; and (2) the Plan will be accepted by sufficient votes in each Impaired Class
3 or may be confirmed under the cramdown standards of Section 1129(b) of the Bankruptcy Code
4 even if sufficient votes are not received.

5 **D. Cramdown.**

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

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

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

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

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

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

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

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

25 MIG will employ experienced personnel with backgrounds in patent claims and
26 licensing. Creditor Moore, the MMP co-inventor, will be the face of and a force in his company.
27 MIG represents the last best hope for Debtor TPL to achieve viability and profitability, and to
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FIRST AMENDED DISCLOSURE STATEMENT RE MOORE MONETIZATION PLAN (DATED OCTOBER 1, 2014)

1 provide the means to pay TPL's creditors.

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

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

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

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

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1 **B. Liquidation Analysis.**

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

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

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

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

3 1. Liquidation Analysis Applied

4 a. Assets.

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

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

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

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

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

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

5 b. Avoidance Actions.

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

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

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

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

3 c. Costs.

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

14 d. Claims.

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

17 Secured: \$10,728,180

18 Priority: \$136,197

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

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

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

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

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

18 Dated: October 1, 2014

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

20 Dated: October 1, 2014

CHILES AND PROCHNOW, LLP

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

28 ⁸ Disclosure Statement RE: TPL Plan of Reorganization, pg 83.

Open Letter to the Officers and Board of Directors of Patriot Scientific Corporation

c/o Mr. Clifford Flowers, Interim CEO
Patriot Scientific Corporation
701 Palomar Airport Rd
Suite 170
Carlsbad, CA 92011-1045

via regular mail and email to ir@ptsc.com

September 18, 2014

Dear Ms. Felcyn, and Messrs. Johnson and Flowers:

The senders of this letter are best described as “the retail shareholders”, i.e., those who have purchased their shares in PTSC on the open market over the years. You are well familiar with us, and, although there are a number of individuals who have chosen to openly support this effort and whose partial contact information appears as an attachment to this letter, there are many others.

We want you to know that, in the relatively short time frame that lies ahead for effective MMP licensing, it is our most sincere hope that you will finally do the right thing. Specifically, we hope that you will, at last, change course and actually take steps that are in the best interests of all shareholders by supporting the plan set forth by Charles Moore and his group (hereafter, the “Moore Plan”) for the restructuring of TPL. As long as the Moore Plan provides for PTSC to receive its rightful share of MMP licensing proceeds, which it presently appears to do, we will remain in support of it. Should you do likewise, we will praise you and support you to the utmost of our ability.

In the meantime, the underlying reason for this letter is that, yet again, you appear to be acting adverse to the interests of the shareholders, which is best generally described as kowtowing to Dan Leckrone and his associates. Even a brief review of the Joint Bankruptcy Plan (hereafter, the “Joint Plan”) shows that, as you have so often done in the past, you plan to allow Mr. Leckrone and Alliacense to continue the failed commercialization strategy of at least the past five years.

There is perhaps no better or more recent example of the above than the MMP license announced on September 11, 2014, with Palace Entertainment. Especially since there had been no previous MMP license since August 2013, and further, in view of the hearing in the bankruptcy court set on October 2, surely you must know how contrived and convenient the Palace Entertainment license will likely be deemed, and rightly so. This simply must stop.

More specific points in this regard will be set forth later in this letter, but for now, we see four main elements that virtually assure the continuance of the deplorable status quo as it has progressed and continuously failed over the last five years — those elements are:

- the continued involvement of Alliacense as a commercialization agent;
- the control by TPL/Alliacense of all underlying data necessary for MMP licensing;
- the continued involvement of Dan Leckrone, Mac Leckrone, and any other of their other family members and/or current business associates; and
- the tarnished, and, we believe unsalvageable, brand that is Alliacense, including its ignoble reputation as a “patent troll”.

Simply put, and as well known by all who are familiar with the situation, the Leckrones have complete control over Alliacense, and thus complete control over the MMP. Frankly, if there is to be any realistic chance for PTSC to succeed for the shareholders, the control exerted by the Leckrones and Alliacense must be reduced to zero. Even a “new” or “alternate” licensing agent would not solve the problem, since the Leckrones would simply continue to favor Alliacense.

Specifically, the position of the retail shareholders is that MMP licensing must be taken completely away from any Leckrone control and/or influence, whether direct or indirect, and placed solely and completely in the hands of persons and/or entities that are truly independent and share the best interests of the retail shareholders at heart. As above, we presently believe that person is Charles Moore, co-inventor of the MMP, and his associates. We have reviewed the Moore Plan insofar as time has allowed, although such review will be ongoing. While there are elements of the plan that we may have structured differently, we hereby endorse the Moore Plan, primarily for three reasons.

First, the Moore Plan is infinitely better than the PTSC Plan — simply because the latter does not exist. It is shocking and infuriating to us that you have absolutely and completely failed in your duty to the shareholders to develop a plan of your own that takes Mr. Leckrone and his associates and related entities completely out of the MMP equation.

Second, the Moore Plan is light-years better than the Joint Plan, because the latter, as mentioned above, leaves the Leckrones and Alliacense in iron-fisted control of the MMP — this assures the same treatment of PTSC shareholders as has been occurring for many years now. It is shocking and infuriating to us that you would consent to such a plan, which we also believe to be a breach of your duty to the shareholders.

Third, and in conjunction with the above, there appears to be no interest by PTSC in forcing Alliacense and Mr. Leckrone to move forward with the bankruptcy proceeding. We are very concerned that both PTSC and the Creditors’ Committee seem to be satisfied with never-ending delays, the most recent of which was requested by TPL just a few days ago on September 15, 2014. To our amazement, both PTSC and the Creditors’ Committee appear to have yet again acquiesced in such, as indicated by filings made only yesterday. ***Since the value of the MMP erodes on a daily basis due to patent expiration of its most important component, the ‘336 patent, in 2015, further delays are absolutely unacceptable.***

In this same context, we are concerned by the very presence of companies such as Apple, a former adversary of PTSC that benefitted greatly through a “firesale” MMP license negotiated by Alliacense and TPL, and that, perhaps along with some of the other creditors, may have an interest in seeing the MMP expire worthless or its value greatly diminished. A persuasive argument could be made that PTSC’s consent to ongoing delays is thus indicative of its cooperation in an attempt to achieve that result.

As we see it, there have been many other breaches of your obligations to the shareholders since mid-2006, including but not limited to: awarding excessive compensation to yourselves while PTSC’s stock price has plummeted some 95%; failure to protect PTSC funds that were inappropriately converted away from PTSC by the Leckrones as “expenses”; failure to more aggressively pursue the appointment of an impartial third member of PDS; failure to abide by the will of the shareholders as expressed in formal proposals duly approved at formal shareholder meetings; and many others. Undoubtedly, this is why there have been several substantial votes of “no confidence” against each of you at shareholder meetings over the last few years.

Having said all of the above, you now have the opportunity to do what is right, so that the real value of the MMP that presently exists can be maximized and the shareholders finally rewarded for their long suffering. With that in mind, we submit the following with regard to the Moore Plan.

Advantages of the Moore Plan

First, Mr. Moore is the inventor of the MMP. There is simply no more credible source as to its workings and capabilities. Knowledgeable and aggressive MMP licensing efforts are thus assured.

Second, Mr. Moore is involved with a company, Green Arrays, that actually produces products and is thus a practicing entity. As a result, any attempt to label MMP licensing as being the work of a “patent troll” can be immediately and correctly negated.

Third, as emphasized elsewhere in this letter, the Moore Plan eliminates control by the Leckrones, Alliacense, and their associates and/or affiliates and/or cohorts. Not only does this avoid their sullied reputations, but further, gives a clean start to future MMP licensing efforts.

Fourth, the Moore Plan provides for full payment of TPL’s liabilities that are advanced by non-TPL insiders. It seems obvious to us that claims by Leckrone family members and/or other insiders are a farce and thus should be treated as such, although it appears that the Moore Plan allows for at least some measure of repayment of some of those claims.

Fifth, the Moore Plan sets up a Board of Directors that is much more likely to fairly assess and pursue the true value of MMP licenses. This has been sorely lacking in the past.

There are numerous other advantages that could be cited, but we believe that those

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Moore Innovations Group

Business Plan¹ October 1, 2014

¹ The Moore Innovations Group Business Plan was developed by David Sciarrino for Charles H. Moore. Mr. Sciarrino has been Mr. Moore's chief business consultant since 2010. He is also the CEO of Zaphod, Inc, a custom software development firm he has led since 2009, Mr. Sciarrino has extensive experience in the IP licensing field, having worked for over 4 years for The TPL Group / Alliacense as its Vice President of Licensing Operations, as well as for Patent Profit international, an IP Brokerage based in Menlo Park, CA. Mr. Sciarrino also holds an MBA degree from Pepperdine University as well as a Masters of International Business from IGS University, Paris France. Mr. Sciarrino's full bio has been attached as an exhibit to this plan.


Executive Summary

Moore Innovations is a company designed to promote, develop and license technology developed by Charles H. Moore. Chuck Moore is an entrepreneur, scientist, mathematician, and computer scientist who has been developing cutting edge technology since the 1960s. Mr. Moore is the father of the FORTH computer language, and developed the RTX2000 microprocessor, derivatives of which are still widely used by NASA (and currently circling Saturn) today. Mr. Moore is listed as the inventor on scores of patents, some of which make up the MMP Portfolio.



Charles H. Moore

The MMP Portfolio of patents includes a group of patents that are widely accepted as representing some of the fundamental building blocks of the modern microprocessor. Developed in the late 1980's and 1990's, these patents have generated to date over \$300M in royalty revenue to 110 licensees, including leading technology companies such as Sony, Panasonic, Toshiba, Hewlett Packard, Fujitsu, NEC, Philips, Ford and many, many more. Yet, as of this writing, it is believed there are **still more than 400 potential licensees in the market**, including Cisco, Hitachi, Google, LG, Samsung, and a host of other Fortune 500 companies. The value of the future royalty stream is estimated to be over \$250M.

		 US005809336A	
United States Patent [19]	[11]	Patent Number:	5,809,336
Moore et al.	[45]	Date of Patent:	Sep. 15, 1998
[54] HIGH PERFORMANCE MICROPROCESSOR HAVING VARIABLE SPEED SYSTEM CLOCK	4,338,675	7/1982	Palmer 364/748
	4,398,265	8/1983	Puhl et al. 395/882
	4,453,229	6/1984	Schaire 395/250
	4,503,500	3/1985	Magan 395/800
[75] Inventors: Charles H. Moore , Woodside; Russell H. Fish, III , Mt. View, both of Calif.	4,539,655	9/1985	Trussell et al. 395/280
	4,553,201	11/1985	Pollack 395/183.22
	4,627,082	12/1986	Pelgrom et al. 377/63
[73] Assignee: Patriot Scientific Corporation , San Diego, Calif.	4,670,837	6/1987	Sheets 395/550
	4,680,698	7/1987	Edwards et al. 395/800
	4,761,763	8/1988	Hicks 395/286
	5,414,862	5/1995	Suzuki et al. 395/750
[21] Appl. No.: 484,918			
[22] Filed: Jun. 7, 1995			
Related U.S. Application Data	[57]	ABSTRACT	

The MMP Portfolio is at a crossroads. Under the direction of TPL and its affiliated company Alliacense (“The TPL Group”), the portfolio has foundered since 2010, with steadily decreasing revenue over the last four years. In fact, **TPL and Alliacense have generated just a single, negligible MMP license since August, 2013.** TPL, the company hired by Mr. Moore to commercialize the MMP portfolio, collapsed in March 2013, filing for Chapter 11 bankruptcy protection. It has taken over 18 months for the Debtor and Creditor Committee to develop a “Joint Plan” for re-organization with the creditors of TPL, but that plan has yet to be considered by the bankruptcy court. As a result of all the delays, and the uncertainty of the confirmability of the Joint Plan, Mr. Moore developed his own plan for the restructuring of TPL, called the *MMP Plan for Reorganization*, and that plan has been filed, with its disclosure statement, with the court. Hearing on the MMP Disclosure Statement is set for October 2, 2014.

The MMP Plan calls for the creation of a new commercialization entity called “**Moore Innovations Group**”, which is the subject of this business plan. Moore Innovations will be made up of a small group of highly skilled business, licensing and engineering professionals who will be tasked to educate and license the MMP technology to prospective licensees, while at the same time promote and develop Mr. Moore’s new Array Technology to current and prospective licensees.

There are many benefits to becoming a licensee of Moore Innovations and the MMP portfolio. These benefits include;

- A thorough understanding of the patents and technology, as provided to them by the inventor himself via website videos, presentations and DVD’s.
- An invitation to “MIGCon”, a yearly conference to be sponsored by Moore Innovations to promote the understanding and development of Mr. Moore’s current and future technology.
- Ability to contract with MIG engineering and business resources to help fend off attacks by “Patent Trolls”.

- The opportunity to license the use of our proprietary “Troll Defendertm”² software, allowing companies to quickly and easily track and manage Patent Troll attacks against them.
- Knowing that company assets are not being wasted on a Patent Troll, but are being invested in a real inventor developing cutting edge technology that will benefit the company in the future with the promise of high performance, low power microprocessors.

The business strategy is straight forward. A small, dedicated team focused only on the Chuck Moore and MMP portfolio will be put in place at MIG. Employees will earn a competitive base salary with bonuses based on results and EBT (Earnings Before Taxes). Claim charts will be based on matching potential licensee products against the infringing HTC Claim Chart rather than against the claim language, because if it looks like a duck, and quacks like a duck, it’s probably a duck.³

Pricing, though proprietary to MIG, will be greatly simplified and based on *per system* cost rather than infringing product cost, as we believe it makes no sense to base a license on the total cost (price) of a product: the value of infringing content differs wildly between toy airplanes and commercial aircraft, whereas most systems, or circuit assemblies fall within a relatively close range. We expect three levels of pricing, for companies at or below \$1M in relevant revenue, between \$1M and \$100M, and over \$100M.

A team of highly skilled and knowledgeable licensing professionals is being assembled to promote the MIG program. The company expects to pay a base draw against a high commission rate to these professionals. In addition, inside sales representatives will be brought in to call on smaller accounts.

If a licensing effort fails, and only if that licensing effort fails, then the potential licensee will be re-classified into “collections”, that is, litigation. If this happens, MIG will provide as much or as little support as required by our litigation partner, and that support will be provided “at cost”. MIG does not condone nor will it charge high fees to its business and litigation partners, who are all on the same team working toward a common goal.

MIG will require a quarterly draw of \$250,000 to begin and sustain operations. MIG will charge 20% commission on gross licensing revenue, and also receive 5% on all litigation based royalty revenue. The monthly draw will be refunded against commissions earned.

The budget forecast expects the MMP portfolio to generate \$200M in gross revenues over the remaining lifespan of the portfolio. It is assumed that there are still +400

² *Troll Defender* is currently in development and is expected to be deployed in Q1, 2015.

³ See attached sample claim chart in the appendix to this document.

potential licensees in the market. This means that MIG projects the average expected future license or litigation award will be just \$500k per prospective licensee, well below the \$3 million average generated previously. While Mr. Moore believes the average will be much higher, he prefers to use conservative estimates when providing this forecast.

Current projections over 5 years show MIG earning for itself over \$11 million before taxes, while conservatively generating \$45 million in licensing revenue. No revenue has been forecast for additional MIG services to be provided to MMP licensees, such as software licensing and IP defense support, which could generate millions more over time. The entire MMP program (including litigation), by contrast, will earn \$200 million overall, **with net proceeds of \$130 million going to PDS for distribution as royalty payments**. The value add of creating an entity run by the inventor, for the purpose of supporting the inventor's new technology, coupled with the short remaining life of the patents, are the major reasons litigation is expected to generate the majority of the revenue for the portfolio.

MMP History

For all of its successes, the MMP Portfolio has led a troubled existence. In 2002, Mr. Moore engaged The TPL Group to help him develop his next generation technology, known as the "Array Technology", providing TPL exclusive commercialization rights to the MMP Portfolio. The royalty revenue generated by MMP would be used to fund the development of the Array Processor, originally branded as the "SeaForth Processor", being developed by Mr. Moore and his engineers at TPL's subsidiary company, IntellaSys.

The MMP commercialization program was quite successful early on. TPL had only one patent portfolio to promote (MMP) and the inventor was engaged and working on new technology using money generated by the MMP Portfolio. **TPL generated over \$250M in MMP licensing royalties between 2005-2008**, with the revenue being split between TPL and Patriot Scientific, the co-owner of the MMP patents. A small percentage of this revenue trickled into Mr. Moore's hands through TPL's share.

TPL's fortunes began to change beginning in 2008. The company started many new development programs from both of its divisions, IntellaSys and Alliacense⁴. As a result of this aggressive growth strategy, MMP money was being consumed at an alarming rate by these new programs, as none of the programs were producing any measurable amount of revenue. In addition, many potential licensees began fighting

⁴ By 2008, the MMP portfolio was funding 9 different programs at TPL and its subsidiaries. Alliacense was marketing MMP, CoreFlash, Fast Logic and Chipscale. IntellaSys was funding Array (2 development projects), OnSpec, Indigita, Hearing Healthcare, and Software Enhanced Radio.

back against TPL, branding it (and its subsidiary company Alliacense) a “Patent Troll”. A patent troll is a non-practicing entity (that is, an entity holding the patent but not involved in the design or manufacture of any product or process associated with that patent) that owns or controls portfolios of patents and that seeks to profit from them through claims of patent infringement. Litigation costs, costs related to patent re-examinations at the PTO, as well as project and development costs soared without any proper management or control, just as licensing revenue began drying up.

By late 2007, acrimony began to surface between PTSC and The TPL Group regarding the costs of the MMP program and the effectiveness of the commercialization effort. Mr. Moore was seeing very little royalty revenue come to him, as MMP revenue was being diverted to the other programs without his consent. TPL was under siege, and in 2009, could no longer sustain itself. TPL restructured in January 2009, eliminating the IntellaSys division and nearly all the programs that were in development there. Thus, Mr. Moore’s involvement with TPL was also eliminated. The Array project was dead.

Alliacense, on the other hand, continued to commercialize its four IP portfolios, confirming what had become obvious since 2007: **TPL and Alliacense were now Patent Trolls**. The TPL Group was no longer supporting the development of the inventor’s new technology, and their only reason for being was the collection of licensing royalties on IP it owned or managed, but did not develop.⁵

By the late 2000’s, the patent licensing landscape began to change. Congress, under pressure from large technology firms, began considering legislation that would reign in “patent trolls”. Companies that neither developed patents nor developed new technology (NPEs or Non Practicing Entities) were finding it harder and harder to license technology.

By 2010 and desperate for cash, TPL developed a new licensing strategy that would “bundle” multiple patent portfolios at the same time for a prospective licensee. While this strategy was beneficial to the licensee, it was problematic for the various patent owners who had to share the royalty revenue gained through such a program. Since TPL and Alliacense were the only entities that knew the entire value of a group of licenses, TPL would assign arbitrary values to each individual license within the group. This led to a conflict of interest for TPL, and also spurred a dispute and litigation between TPL and its PDS partner, PTSC. PTSC stated in its annual 10K report *“The Action stemmed from TPL’s notification of a license written in April 2010 which included a license of the MMP patents and other patents to use portfolios and technologies co-owned and potentially owned by TPL in the future. We*

⁵ TPL’s was the exclusive licensor and a partial owner of the IP portfolios being commercialized by Alliacense. Royalty revenue generated on behalf of the portfolios was then split by the various owners of those portfolios as per their original agreements.

objected to the amount of license consideration allocated to the MMP patent license as too low relative to the other license components.”⁶

With the bundling strategy in tatters, TPL turned to litigation as the main method for generating MMP royalty revenue. This allowed Alliacense to become a “Litigation Support” organization, making money on providing support services, rather than concentrating on its core business, licensing. Through litigation, The TPL Group exploited two possible routes; the first was to move through the federal court system, while the second was to lodge complaints with the International Trade Commission. This strategy has achieved mixed results.

In a case against HTC, that wound through the federal court system in the Northern District of California, TPL, putting Mr. Moore forward as the owner and inventor of the patents, won a verdict against HTC that found infringement of six claims of the US’336 patent in June, 2013. The verdict in the HTC trial was a mixed result for TPL, Alliacense and the MMP portfolio owners. Yes, HTC was found to infringe US’336 on multiple claims. Yes, an external oscillator does not negate infringement. Also, it was shown that the microprocessors infringe the claim elements referring to variations in temperature, process and voltage. It is also noteworthy that the *Markman* definitions approved by the Northern District Court should continue, due to *judicial economy*, as more litigation against potential infringers moves forward. All of these are positive points for the MMP program.

Yet, the “Entire Market Value Rule” damages analysis stated in the verdict is problematic for the current licensing and litigation program. **TPL received a fraction of the award it was seeking against HTC.** This negative result was achieved because HTC successfully argued a lower damages calculation based on a “firesale” license negotiated by Alliacense in 2010 (the license noted by PTSC, above), and not by the historical value of the licenses negotiated between 2005 – 2007.

TPL had also lodged complaints in the International Trade Commission for both the MMP and its CoreFlash portfolios. TPL chose not to utilize Mr. Moore in the hearing with the ITC regarding the MMP patents and lost that decision. Regarding CoreFlash, the commission stated “. . . *The Commission finds that the Federal Circuit’s decision in InterDigital Communications, LLC v. ITC, 690 F.3d 1318 (Fed. Cir. 2012), 707 F.3d 1295 (Fed. Cir. 2013) and Microsoft Corp. v. ITC, 731 F.3d 1354 (Fed. Cir. 2013) require a complainant to make such a demonstration regardless of whether the domestic industry is alleged to exist under 19 U.S.C. & 1337(a)(3)(A), (B), or (C).*”⁷With this determination, the ITC has effectively raised the bar for determining a domestic industry, **requiring an article protected by the patent.** Since TPL is a

⁶ “Annual Report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 for the fiscal year ended May 31, 2012”, Patriot Scientific Corporation, August 29, 2012, pg F-17.

⁷ “Disclosure Statement RE: TPL Plan of Reorganization”, February 14, 2014, Section II A, Pages 18-19.

NonPracticing Entity, it makes no products associated with any of the patent portfolios it commercializes. This effectively eliminates any opportunities for TPL to leverage the ITC in the future.

As a result of the changing IP landscape, TPL's inability to develop a sustainable commercialization strategy and its managerial incompetence, licensing revenue has ground to a halt over the past five years. TPL has stated in its debtor disclosure statement that *"TPL's revenues have completely stagnated since the filing of the Chapter 11 Petition and were on a downward projector since 2010 (\$10.1 million in 2012, \$11.3 million in 2011, and \$17.6 million in 2010)"*⁸ **TPL had gone over 1 year without generating a single dollar in MMP licensing revenue**, and only recently, in a desperate attempt to remain relevant, signed a negligible, nuisance value license. In 2007, The TPL Group signed licenses with Sony, NEC, Panasonic, Toshiba, Philips and many other world class, Fortune 100 companies. In 2014, The TPL Group signs. . . Palace Entertainment, an amusement park operator. From pay dirt to peanuts.

Products & Services

MIG has one major product that it sells, and that is Charles H. Moore and his vision for the future. But that vision has a past, and in that past is the MMP Portfolio, a revolutionary group of basic technology patents that remain a fundamental building block of the modern day microprocessor. The MMP portfolio is a portfolio of 22 microprocessor and system patents in the US, Europe and Asia that are a core building block of today's microprocessor technology. The major patent in the portfolio is US'336. This patent, along with many others in the portfolio, have been relentlessly scrutinized over the years, having turned back questions of invalidity time and time again. In addition, in a landmark case for the portfolio, HTC, a multi-billion dollar corporation, was found guilty of infringing six claims of US'336 for several of its products. While HTC has appealed this decision, MIG counsel advises that HTC's prospects for overturning a jury verdict are dim.

This verdict has tremendous positive ramifications for the portfolio as we move forward. The way infringement was proven in the case paves the way for a huge array of products, in a myriad of industries, to be deemed infringing on US'336 in the future. Potential infringing devices include:

- Cell Phones
- Computers
- Computer peripherals
- Televisions
- TV peripherals
- AV equipment

⁸ "Disclosure Statement RE: TPL Plan of Reorganization", February 14, 2014, Page 84

- Telecommunications equipment
- Networking equipment
- Robotics
- ATM machines
- POS equipment
- Gaming equipment
- Automotive equipment
- Aerospace

In essence, any “smart” device that communicates with people or other devices and employs microprocessors, potentially infringes the US’336 patent. The total value of the infringing products is believed to be in **the hundreds of billions of dollars.**

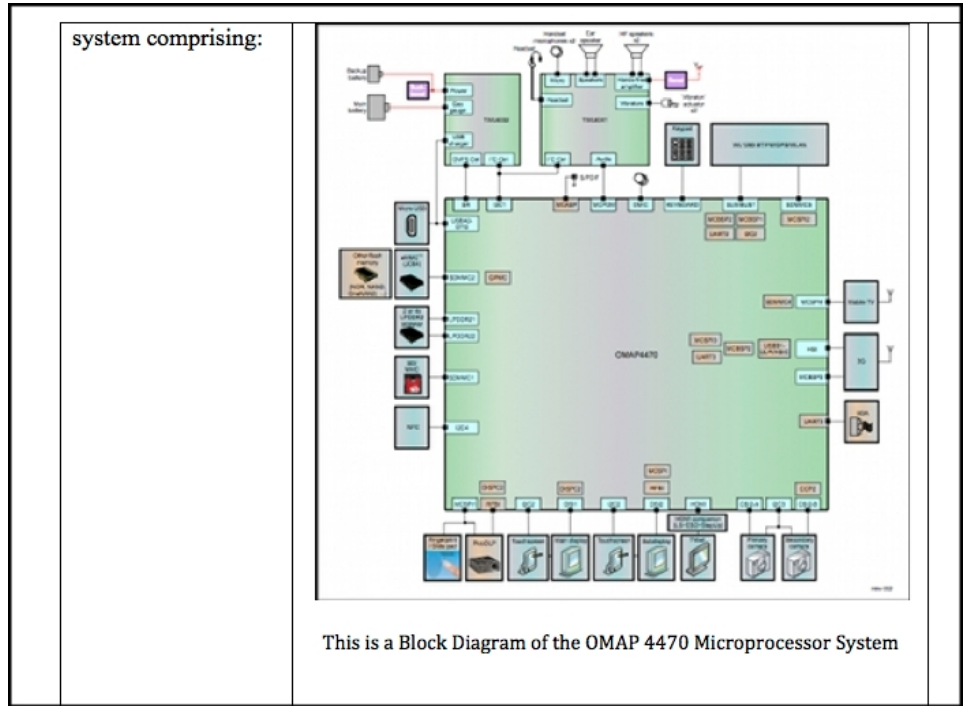
Companies go to enormous length and expense trying to invalidate patents by showing another, older patent “teaches” the same principles that a potentially infringing patent does. This is known in the industry as “prior art” and is usually the first line of defense provided by a company when confronted by a potential licensor. US’336 has gone through four difficult and costly re-examinations by the USPTO, and has prevailed each time. Assuming that it becomes more and more difficult to find potential prior art after a previous attempt has failed, **it is virtually certain that US’336 is and shall remain a valid patent until it expires.**

In addition, the HTC verdict provides US’336 a focal point from which to begin discussions and simplifies the task of educating a potential licensee as to the benefit of a patent license. In general, patents and patent claims are worded in an arcane fashion to suit patent prosecutors and the USPTO. They are therefore difficult to interpret and can be even more difficult to understand the meaning of what may or may not be well-defined words or terms. Thus, companies and patent owners frequently spar over the meaning of a word, or claim element, or claim. Yet when companies go through the patent litigation process, there is a pre-trial hearing by the U.S. District Court during which the judge examines evidence from the parties on the appropriate meanings of key words used in a patent claim. This is known as a “Claim Construction Hearing” and has been in common practice since the U.S. Supreme Court decided in *Markman v. Westview Instruments, Inc.* that patent language is a matter of law for a judge to decide rather than a jury.⁹ In the case of US’336, the *Markman* definitions have already been decided, resulting in much less ambiguity in the meaning of the terms within the patent claims. It should also be noted that due to the concept of *judicial economy*, **these terms will remain defined by the *Markman* as previously outlined in the HTC case.**

In addition to the *Markman* definitions, the HTC case has provided US’336 with multiple infringing *claim charts*. A claim chart is a proof piece developed by a patent licensor that splits out claims into smaller claim elements. In general, each claim

⁹ “Markman hearing”, Wikipedia.org / wiki/markman_hearing

element is listed in a column on the left of a page and the corresponding proof of that element is listed in the center of the page.



Example of a Claim Chart element and associated proof piece.

Each claim chart has a various number of elements. Some claim charts can have as few as two elements while others may have as many as 25 or more. The number is dependent on how complex the claim is, as well as how complicated the licensor wants each element to be. It is truly an art developing a claim chart that is coherent without being redundant but not overly complex.

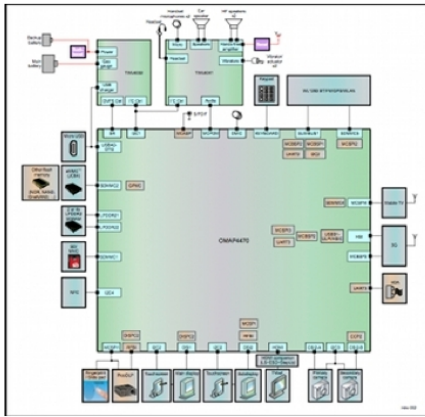

Because of the positive verdict in the HTC case, the US'336 claim chart can be altered in a way that can be even easier to understand than a normal claim chart. The reason is that several HTC claim charts have already been proven to infringe US'336. In fact, six claim charts based on three different systems have been developed that prove infringement, based on the current *Markman* definitions. Therefore, what Moore Innovations now proposes **is a three column claim chart**. The first column has the claim element. The 2nd column holds the infringing element as provided by the HTC case. And the 3rd column is the potentially infringing element of the infringing party. The logic is very simple:

$$\text{If } a = b, \text{ and } b = c, \text{ then } a = c$$

Or

$$\text{If } b = c, \text{ and } b \text{ infringes claim element } a, \text{ then } c \text{ infringes claim element } a$$

As usual, a picture is worth a thousand words:

<p>A microprocessor system comprising:</p>	 <p>This is a Block Diagram of the OMAP 4470 Microprocessor System</p>	 <p>This is a Block Diagram of the OMAP 4470 Microprocessor System in the Archos 101XS tablet</p>
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Claim element example. The 1st column reveals the claim element. The 2nd (middle) column reveals the infringing chip (OMAP 4470) while the 3rd column (on right) shows the very same chip inside the *Archos 101 XS Tablet Computer*. Since it's been proven via the HTC trial that the OMAP 4470 infringes US'336, and since Archos uses the OMAP 4470 in its *101XS Tablet*, then the *Archos 101XS Tablet* infringes this particular claim element of US'336. (Note: the Archos 101XS Tablet is being used purely as an example for this exercise, and therefore this example does not constitute infringement of the US'336 patent.)¹⁰

By using this kind of deductive reasoning, it becomes quite obvious when a product infringes US'336. There is very little room for competing interpretations of the claim element, and since the terms have been clearly defined by the *Markman*, there is little doubt as to the meaning of the terms.

Other Products and Services

Scrupulous companies that care about protecting their own intellectual property understand that licensing technology is a vital part of doing business in today's global economy. Most companies want to do the right thing, but don't want to be shaken down by a patent troll, as that only invites more bad behavior on the part of the troll. This is the Achilles Heel of the NonPracticing Entity licensing strategy. The NPE goes through grueling negotiations with a company in order to hammer out a licensing deal. Yet before the ink is dry, and the check is cashed, the troll drops off another portfolio on the CLO's (Chief Legal Officer) desk in the hopes of starting the licensing process all over again. It's a cycle of all give on the part of the company, and all take on the part of the troll. There must be a better, different approach available to all concerned, relative to MMP.

We believe Moore Innovations brings tremendous value with an MMP license. Each licensee will become part of the MMP family of licensors. Each will know that they

¹⁰ OMAP is a Trademark of Texas Instruments. All rights reserved. Archos 101XS Tablet is a Trademark of Archos, Inc. All rights reserved.

are benefiting from technology developed by a true genius and inventor, Chuck Moore. It's his technology that **drives their products to performance levels that could not be achieved without it.** In addition, licensors can be certain in the knowledge that Moore Innovations is NOT a troll. MIG generates revenue that supports Mr. Moore's chip development company, GreenArrays, Inc.¹¹

Green Arrays™ GA144
144-Computer Chip

Actual size
1cm x 1cm

FEATURES

- 144 Independent F18A computers
- Suitable for inexpensive, 4-layer PCBs
- Up to 96 billion operations per second
- Instantaneous power ranges from 14 microwatts to 650 milliwatts
- Energy consumed depends on each computer's duty cycle, controlled by software and events, with granularity in picoseconds
- Negligible time and energy expended starting and stopping each node
- Suspended nodes respond to internal events in picoseconds and external events in nanoseconds
- High impedance (C_{in}, >200M Ω) inputs
- Five analog inputs and five outputs
- Two 18-bit parallel interfaces
- 25 programmable digital I/O pins
- Overall digital I/O bandwidth can exceed 3 gigabits per second with software "bit banging", plus an additional 800 megabits per second when both SERDES are operating
- Bootable via SPI or any of four serial protocols, custom ROM available
- 9216 words RAM and same of ROM distributed among all nodes (equivalent of 41472 total bytes)
- Minimal external components needed

OVERVIEW

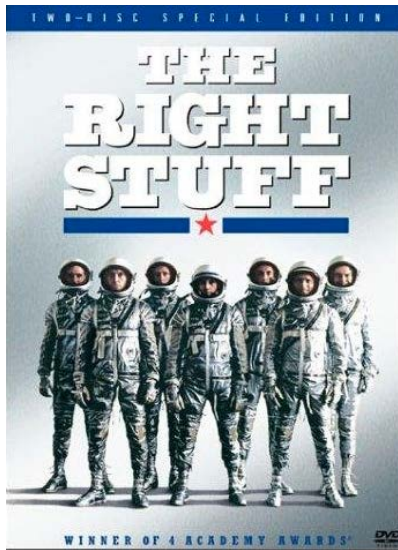
This very powerful and versatile chip consists of an 18x8 array of architecturally identical, independent, complete F18A computers, or *nodes*, each of which operates asynchronously. Each computer is capable of performing a basic ALU instruction in ≈ 1.5 nanoseconds for an energy cost on the order of 7 picojoules. Nothing else available today comes close to that winning combination. Twenty-two of the computers on the edges of the array have one or more I/O pins and one of several classes of circuitry associated with them, as illustrated below.

The overview diagram shows an 18x8 grid of nodes. Each node is represented by a small square with internal circuitry. The nodes are arranged in a grid, with the top row labeled 700-717 and the bottom row labeled 100-117. The left side of the grid is labeled with node IDs (e.g., 700-717, 708-725, etc.) and the right side with node IDs (e.g., 718-735, 726-743, etc.). The bottom row is labeled with node IDs (e.g., 100-117, 108-125, etc.). The diagram also shows various I/O pins and circuitry associated with the nodes.

Royalties gained from MIG will be used to develop applications for the GA144, a cutting edge microprocessor that has 144 fully asynchronous, autonomous computers integrated into a substrate that is smaller than an eraser on a pencil. This is a chip so advanced that its performance to power consumption ratio beats all the competition in its class. This is the future of computing, and this is what an MMP license will help create for our customers. But GreenArrays needs funding to successfully bring this cutting edge technology to market. As was said in the film *The Right Stuff*, "You know what makes this bird fly? Funding! No bucks, no Buck Rogers".¹²

¹¹ Picture provided by and used with permission from GreenArrays, Inc. For more information, visit www.greenarraychips.com. All rights reserved.

¹² "The Right Stuff", Irwin Winkler, Producer, 1983. All rights reserved.



MIG intends to develop MIGCON, a yearly conference created exclusively for our licensors and potential licensors to attend. A broad range of topics will be discussed including developments with the new Array technology, new applications for the GA144 microprocessor, current updates on MMP, anti-troll strategies and solutions and much, much more. We intend on making this a collaborative, sharing of ideas with our licensee partners.

Moore Innovations will have developed advanced software that supports its licensing and litigation operations. Our *Troll Defendertm* software integrates CRM, claim charting, reverse engineering, and litigation support into a custom, modular system, reducing the time and expense associated with enhancing and defending corporate IP portfolios.¹³ MIG anticipates offering versions of this software, as well as training and support to our licensees at commercially reasonable rates, substantially lower than will be marketed to non-licensees.

MIG will also offer our expert reverse engineering, claim charting, research and licensing support teams to our licensing partners at commercially reasonable rates, allowing our licensors the ability to outsource to MIG the capability to defend against trolls and other potential IP threats, allowing companies to concentrate on enhancing their own IP portfolios.

Market Overview

The MMP portfolio has been licensed to 110 companies worldwide, many of them from the Fortune 500. Industries represented include¹⁴:

¹³ Troll Defendertm is currently in development and is expected to be released in Q1, 2015.

¹⁴ This is not an exhaustive list of licensees or industries, as that would become tediously long.

- A/V Equipment
 - Roland / Emerson
- Consumer Electronics
 - Sony / Panasonic
- Computers
 - Acer / Hewlett Packard
- Computer Peripherals
 - Onkyo / Belkin
- Telecommunications
 - Sierra Wireless / Blackberry
- Networking
 - Brocade / Extreme Networks
- Industrial Manufacturing
 - Bosch / Rockwell Automation
- Digital Photography
 - Olympus / Nikon
- Toy Manufacturers
 - Lego / Mattel
- Automotive
 - Ford / Caterpillar
- Retail Stores
 - Amazon / Disney
- Medical Devices
 - Alcon / Gerber Scientific

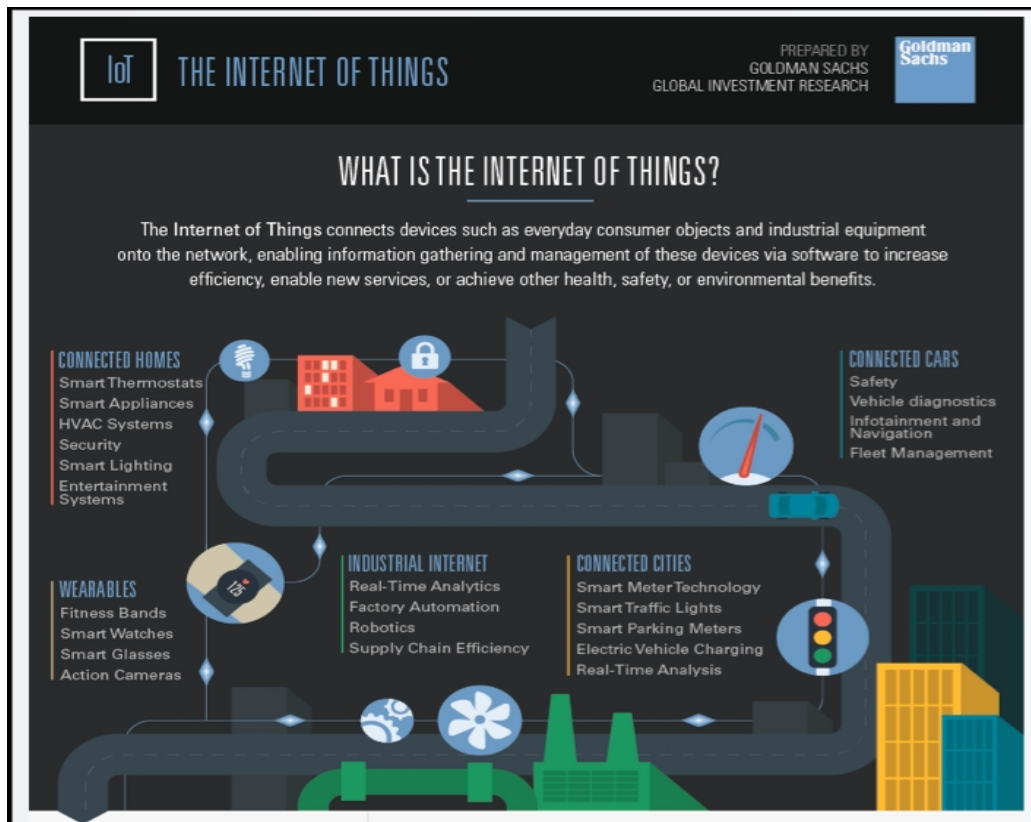
Basically, any sector that utilizes microprocessors in their products that communicate with people or other devices will probably require an MMP license.

Current research indicates that there are approximately 400 companies remaining that could benefit from an MMP license. Conservatively speaking, and based on current licensing estimates, we believe the total remaining market for MMP licenses to be between \$100 million and \$400 million.

Market Trends

Because of the pressure being placed on NPEs over the past several years from both a government and industry standpoint, IP licensing has stagnated. Companies have been emboldened to fight and delay rather than give in to “IP Extortion”. This is a perfectly good reason to resist these licensing efforts. There’s no question that The TPL Group has met very stiff resistance since 2010. Yet we believe that by moving away from the NPE model of offering multiple portfolios as an attack on tech companies, to one that creates an entity that champions the technology of its owner we will change the dynamic between licensor and licensee for the MMP portfolio.

That said, the overall market for potential infringers continues to increase, as more and more industries rely on devices that communicate with microprocessors. For example, the automotive industry is seeing explosive growth in the use of microprocessors inside vehicles, and with the advent of “The Internet of Things”¹⁵, connectivity of any and all mundane devices is possible. The result is that the total remaining potential market may actually be larger than is currently forecast for the MMP portfolio.



Marketing Plan

Moore Innovations believes the MMP Portfolio has been badly damaged and its value greatly reduced by the reckless and incompetent management of The TPL Group. Under TPL & Alliacense management, the MMP Portfolio has suffered since 2009 for several reasons. They include:

- The TPL Group moved away from supporting MMP exclusively to supporting four portfolios, spreading resources thinly and arbitrarily.
- Shut down the IntellaSys division, relegating the company to NPE status (Non-Practicing Entity – patent troll)

¹⁵ IoT promises to connect billions of everyday devices, merging the physical and online world. <http://www.goldmansachs.com/our-thinking/outlook/iot-infographic.html>.

- Mismanaged its financial resources so badly that it became necessary to sell “firesale” licenses at deep discounts just to remain in business, tremendously degrading the value of the portfolio.
- Angered and intimidated potential licensees, clear-cutting the MMP forest and then moving on.
- Stopped paying Mr. Moore his share of the MMP royalties, inviting a highly public lawsuit.
- Undervalued the MMP share of a multi-license deal, inviting a highly public lawsuit from Patriot Scientific.
- Did not pay Chester and Marcie Brown their share of MMP royalties that was owed to them, inviting a lawsuit and a judgment against TPL, leading the company into bankruptcy.
- Failed to see and respond to changing IP licensing market conditions.

The list can go on and on, but the bottom line quite simply is that **if MMP is to be resuscitated, it needs to be re-invented and re-introduced to the market under new management and leadership.**

Overall, we believe the TPL Group management has shown a remarkable disdain for honesty, civility, and integrity when dealing in a business context. Therefore, Moore Innovations will address these issues by placing a man known for his honesty, civility and integrity at the forefront of the company, Charles H. Moore. This will be the first step in bringing the portfolio back to life.

MIG envisions creating a documentary surrounding the life and accomplishments of Chuck Moore. In the manner of a *Frontline* documentary, we hope to bring to light the brilliance, intellect, modesty and integrity of Mr. Moore, and the positive effect the technology he developed has had on the world. In addition, we will explore his new Array technology, and all the possibilities we hope to achieve as we move forward. We expect this to be a very powerful piece, putting a human face on an abstract idea known as “Intellectual Property”.

The culture at Moore Innovations will be one of collaboration, honesty, integrity and the desire to excel and focus on our goal, which is **to evangelize for Chuck Moore and his technology.** MMP licensing is a means to an end, and that end is to fund the development of his newest, greatest and perhaps last technological advance, the Array processor. This will be the major focus of Moore Innovations.

In addition to the documentary, MIG will create an interactive website explaining the MMP technology, and keep our visitors up to date with videos, blogs and other useful tools necessary in today’s content based world. We will also provide up to date information regarding the Array technology with links to the GreenArrays website.

MIG will, of course introduce itself to potential licensees of MMP, with refreshed claim charts and enhanced understanding of the portfolio, current litigation and other aspects of the technology, but with a focus on moving into the future and away from the past. We will do our best to explain the value of an MMP license, and promote Mr. Moore. **MIG is not a patent troll.** MIG has one and only one portfolio. MIG is a practicing entity, and its leader is the inventor of MMP technology. MIG wants to help our licensees and potential licensees with reverse engineering, IP interpretation and valuation, troll defense and IP software services and solutions. Make no mistake, we will protect our IP rights, but we want to make sure our potential licensees know that we are available to support them and become their business partner for years to come.

Licensing IP rights is a difficult and complex process. We believe that to be successful in IP licensing, three different constituencies must be convinced of the merits of your technology before any agreement can potentially be reached between licensee and licensor. Those three constituencies are:

- Engineering
- Legal
- Management

Engineering is mainly concerned with the case of infringement of the company products against the patents. *Do our products infringe your patents?* In general, the engineers will review the patents and the claim charts and develop their own interpretation of the terms associated with the claim elements. The licensor has its own interpretation and the process moves forward slowly and methodically until there is agreement (or not) that the products actually do or do not infringe.

MMP (US'336 to be specific) has the luxury of already having the relevant terms defined by the court. There is no room for interpretation as the judge has already made the ruling. In addition, US'336 already has a set of infringing claim charts. By showing that the products of the potential licensee match the infringing claim charts of HTC, the case of infringement is very much cut and dry.

Legal, on the other hand, is mostly concerned with invalidity. *Are the patents valid?* If a potential licensee can show that there is "prior art" that teaches the licensor's patent, the patent is deemed to be invalid, and therefore does not need to be licensed. Referring back to US'336, there have been four re-examinations of the patent completed by the USPTO, and all four of those re-examinations have resulted in ruling maintaining the validity of the patent. To put this in context, most patents will go through one or perhaps two re-exams at the PTO. Rarely will a patent have to endure three. Four is virtually unheard of. Over the years technology companies have banded together in a desperate attempt to nullify US'336, and have failed. To their chagrin, US'336 is valid and enforceable, and shall remain so until it expires.

Management is mostly concerned with business risk. *What do we risk by licensing the technology? What do we risk by not licensing the technology?* In general, when dealing with another company in the field, companies will come up with cross-licensing arrangements. “I’ll license your patents if you’ll license mine.” But when dealing with a troll, the troll isn’t interested in the licensee’s patents because the troll is a NPE. The troll wants money. To company management, paying off the troll only makes the troll stronger, and will embolden the troll to continue to attack the company with more and more claim charts from more and more portfolios. It is a type of extortion, and management is loath to play this game. Thus, the company fights. It moves against the troll’s patents for invalidity. It moves against the troll in federal court. Litigation ensues, and only the lawyers win in the end.

But what happens when the inventor comes knocking on the door and is asking for a license in order to protect his IP to provide himself enough resources to move his new technology forward? What happens when that inventor is a true blue American genius and hero, a man whose inventions are powering satellites and guiding spacecraft circling the cosmos at this very moment? What happens when his easy-to-interpret claim charts match those of previously infringing claim charts? Finally, what happens when the case for invalidity of his patents has been reduced to near zero? What happens is **the business risk of not licensing the portfolio goes up exponentially**. Add in the direct cost of litigation and the potential for *willful infringement*¹⁶, and there is a much better chance at reaching a reasonable licensing agreement between the licensor and the licensee.

For the past five years, The TPL Group has been playing the patent troll game with the MMP Portfolio and has been losing. It’s time to bring in MIG and begin winning again for Mr. Moore and his cutting edge technology.

Strategic Alliances

All companies need partners, and MIG is no different. We see four necessary strategic partners in order for MIG to be successful. They are:

- TPL
- Phoenix Digital Solutions
- A competent, aggressive litigation firm
- GreenArrays, Inc.

TPL & PDS

¹⁶ “infringement or active inducement of infringement is willful when it is done deliberately and intentionally, and with knowledge of the patent. Copying of an invention, if such copying continues after the existence of the patent is made known, is evidence of willfulness.” - “Willful Infringement”, Smith & Hopen,, US Registered Patent Attorneys, http://www.smithhopen.com/glossary_term/67/Willful-infringement

Phoenix Digital Solutions (“PDS”) is the joint venture company that currently licenses the MMP Portfolio for TPL and Patriot Scientific (“PTSC”). The MMP Plan for Reorganization call for the 2012 amendment to the original 2005 ComAg agreement between TPL and PTSC to be rejected, returning the MMP licensing rights to TPL. The MMP Plan also calls for the 2012 agreement between PDS / PTSC / TPL and Alliacense to be rejected, along with the TPL/Alliacense Services Agreement. Setting the dead weight of these agreements aside will free PDS and TPL to negotiate a new commercialization agreement with MIG, the details of which have been outlined in the MMP Plan for Reorganization.

MIG has outlined in the MMP Plan terms beneficial to both TPL and PDS, relative to the current agreements the companies have with each other and with Alliacense. These terms include:

- TPL (The Creditors Committee) will select one member of the MIG Board of Directors (“BoD”)
- PDS will continue as sole licensor of the MMP Portfolio. All royalty revenue and litigation awards earned for MMP will be sent directly to PDS for distribution as per the January 2013 PDS / TPL / Moore Agreement (which is an assumed executory contract under the MMP Plan).
- Both PDS and TPL may provide counsel and advice to the management of MIG, as MIG intends to maintain an open and transparent relationship with these companies.
- MIG will look to PDS to provide \$250,000 per quarter in funding MIG, which will be charged back against commissions earned by MIG.¹⁷
- MIG will earn 20% on gross licensing revenue earned for MMP licenses, and 5% for litigation settlements.
- TPL will be able to pursue licensing revenue for its other portfolios autonomously and separately from MIG, as MIG will not be a “TPL Enterprise”. It is a separate, stand alone company.

The litigation partner

¹⁷ Should PDS refuse to furnish this quarterly advance – one-half of the advance to which Alliacense is presently entitled despite no licensing activity – Mr. Moore will raise these operating funds independently.



MIG will require a litigation partner. Both PDS and TPL have working relationships with Agility IP Law, LLP (“Agility”), and Agility has achieved good results with regard to the MMP Portfolio, even working under the handicap of the TPL Group affiliation. We hope to continue and deepen the relationship with Agility, or a comparable firm should Agility decline the opportunity to continue its MMP Portfolio engagement. Litigation, though not preferable, will make up an important part of the MIG business strategy moving forward.

MIG will provide its litigation partner with wide latitude in securing licenses and litigation awards from those companies that choose to litigate over infringement of the MMP portfolio. MIG will provide any and all assistance that its litigation partner requires, and will only pass through its costs in providing necessary support services such as reverse engineering, product research, claim charting and the like. Since MIG and its partners all share the same goal, Mr. Moore believes that MIG should not earn a profit from assisting those companies that are moving the overall effort forward and contributing to the growth of MMP technology.

GreenArrays, Inc.



GreenArray, Inc. (“GA”) is a custom chip design business set up by Mr. Moore, his partners, friends and business associates in 2009, to take his work on the Array processor in an exciting new direction. GA has achieved some remarkable things in the past five years, despite minimal funding. Chip development typically requires millions of dollars; GA developed its GA144 with a few hundred thousand dollars.

MIG hopes to partner with GA because we see wonderful synergies available to both companies. GA can provide needed engineering expertise and support as well as information on the current and new Array technology being developed. MIG can help GA by getting the word out to potential licensees about its extraordinary technology. Both companies will benefit as we move forward together.

Portfolio Pricing

The pricing model put forward by The TPL Group was, in a word, incomprehensible. As was learned from public testimony at the HTC trial, Alliacense offered multiple tiers, for multiple industries, based on the full value of the infringing product. Still, some licenses were given away at “firesale” prices to meet TPL cashflow needs, damaging the value of the portfolio and the MMP brand; other licenses were sold as packaged bundles with unrelated patents, blurring the lines while creating conflicts of interest. MIG intends to move in a different, more coherent, direction.

The patent system is unusual in that it employs the *entire market value rule* (EMVR) when valuing the license potential for a patent.¹⁸ In essence, a licensor will calculate the value of a patent license on the total value of the product. Thus, if the patent is valued by the licensor at say .05% of the value of the product, and the product is a \$100 camera, then the charge per unit is:

$$\$100 * .005 = 50 \text{ Cents / Unit.}$$

Multiply that by the number of infringing units and you have the value of the royalty owed to the licensor. But, if the value of the product, say a \$50,000 automobile, the calculation is:

$$\$50,000 * .005 = \$250 / \text{Unit}$$

While it is probable that the automobile is utilizing more microprocessors than the camera, it's unlikely it has *500 times more infringing content* than the camera.

Patent trolls try to leverage the EMVR as much as possible, because that's their business model. But as we've stated, MIG is not a troll – in fact, it is the anti-troll – and we have chosen a pricing model that makes sense. MIG will charge royalties based on the *Circuit Assembly* (eg; Printed Circuit Board, or PCB). US'336 is a system patent, meaning it involves a system of processors communicating with each other. Those systems, for the most part, reside within circuit assemblies. While circuit assemblies vary greatly in size and complexity, the variance is far less than that of the products they reside in. Less variance means a more stable pricing structure at the unit level. Thus, using the example above, let's assume the camera has one PCB inside that requires a license and the automobile has eight. We will also assume the PCB cost to be \$10 per unit. If we assume a royalty rate of .5%, then the per unit cost to each potential licensee is:

¹⁸ Entire Market Value (“EMVR”) applies to sales of a single, multifaceted device that incorporates a patented feature together with unpatented features. “When a patentee seeks damages on unpatented components sold with a patented apparatus, courts have allpied a formulation known as the “entire market value rule” to determine whether such components should be included in the damage computation. . . – “Damages for Unpatented Items / Entire Market Value Rule”, Fish & Richardson, <http://www.fr.com/marketvalue/Generic.aspx>

$$\begin{aligned} \$10 * .5 &= 50 \text{ Cents / Unit (Camera)} \\ \$10 * .5 * 8 &= \$4 / \text{Unit (Automobile)} \end{aligned}$$

This is a rough example and there are many variables to be considered, and in some instances, the EMVR rule may be appropriate when valuing a license, as each potential licensee is different. Yet the goal is to develop a coherent, consistent approach that is understandable and fair to each potential licensee.¹⁹

The Organization

History tells us that a small, focused team of businesspeople, licensing professionals, engineers and support staff can successfully license the MMP portfolio. This is exactly what Moore Innovations proposes to do.

At the top of the company is Mr. Moore. He will be the Chairman of MIG, and will provide his experience, expertise and steady hand in deciding on the strategic direction of the company. In addition to Mr. Moore, there will be two additional people that will make up the MIG Board of Directors. Mr. Moore will choose one, and the third member will come from the present TPL Creditor Committee (to ensure appropriate oversight and transparency). Mr. Moore believes this to be a fair and reasonable approach, allowing the TPL creditors to have direct input and a close view into the organization that is safeguarding TPL's most valued asset.

The Board shall select a CEO for Moore Innovations. Mr. Moore already has selected a qualified individual with the right blend of experience, drive, and foresight to successfully lead the company. He has built licensing teams in the past, and has also built the operational infrastructure needed to lead a successful licensing campaign. He also knows the MMP Portfolio inside and out, and has represented Mr. Moore as his business consultant for the last five years. Mr. Moore has chosen David Sciarrino to lead Moore Innovations once the MMP Plan has been approved.²⁰

A group of licensing professionals will be chosen once the MMP Plan has been approved. MIG will be a new organization, with a new but experienced team leading the way. Mr. Moore is confident that seasoned, high quality licensing representatives, engineers, reverse engineering technicians and the like can be brought up to speed rapidly once the plan is put in place.²¹

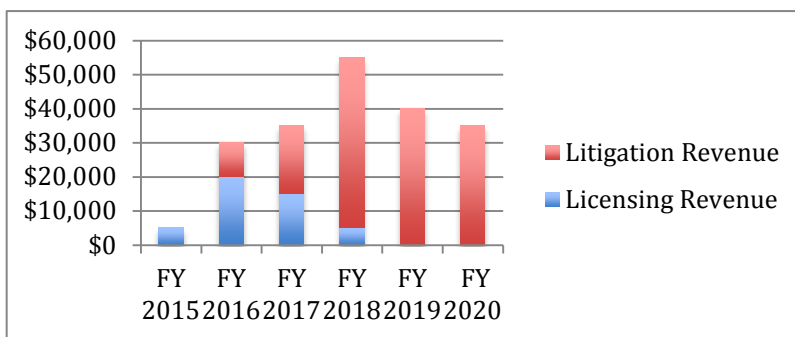
¹⁹ Calculating patent royalties is a notoriously difficult process, and the example above has no real basis with regard to the actual pricing MIG will employ as it moves forward. MIG pricing is proprietary and will be based on the historical records of licenses signed by TPL in the past.

²⁰ Mr. Sciarrino's resume is attached to this document in the appendix.

²¹ In fact, Mr. Moore has received a good deal of interest from seasoned licensing professionals, engineers and reverse engineering technicians with experience, and some with MMP experience in joining the MIG team. But, since the MMP Plan has yet to be approved and most of these people are currently employed, it is both unrealistic and unfair to expect these people to provide their personal

The MMP Plan calls for the licensing team to get compensated with a draw against commission, fairly standard in the industry. The budget calls for a high commission on gross licensing revenue for the sales team, with other incentives provided. This generous compensation plan, as well as the portfolio pricing strategy, is geared to generate a high volume of licenses in as short a period as possible.²² Given the history of MMP, the huge potential of the portfolio, the removal of the troll factor and the single purpose focus of MIG, it is believed that MIG will attract high quality, seasoned licensing executives to promote the MMP portfolio. We also hope to leverage the expertise of our litigation partner in negotiating settlements and agreements with those companies that have chosen litigation rather than licensing as a way to resolve our differences.

Pro Forma Financials and Analysis



The analysis will be split into two parts; (a) an analysis of the expected revenue stream to PDS and the direct expenses PDS can expect through FY 2019, and (b) pro forma MIG budget and expected profit / loss. MIG will be generating revenue for PDS. In return, it receives quarterly advances as well as commissions on licensing revenue generated by the MMP portfolio for PDS.

Pro Forma PDS Profit & Loss.

The pro forma projections in this document rely on some basic assumptions.

Basic assumptions include:

- Litigation contingency costs are assumed to be 30% of gross litigation awards.
- Litigation Commissions on licensing are 5%
- 3rd party direct costs are expected to be 2.5% of gross litigation awards.

information in a public document. A list of budgeted positions has been included in the pro forma financials listed in the appendix.

²² For confidentiality reasons, it is inappropriate to post the compensation plan, as well as the pricing plan into this public document.

- Licensing revenue is assumed to be 24% of the total, while litigation revenue is assumed to be 76% of the total. Litigation is weighted more as the patents are expiring in the next few years.

The budget forecast expects the MMP portfolio to generate \$200M in gross revenues over the remaining lifespan of the portfolio. It is assumed that there are still +400 potential licensees in the market. This means that the average expected future license or litigation award will be just \$500k per prospective licensee, well below the \$3 million average generated previously. Mr. Moore believes the average will be much higher, but preferred to use conservative estimates when providing this forecast.

MIG Pro Forma Profit & Loss.

The MIG assumptions include the following:

- \$250k per quarter provided by PDS to MIG for operations for 3 years, or \$3M total. These advances are to be repaid with revenues generated by MIG.
- Benefits on salaries are assumed to be 20% of total salaries.
- Employee bonus pool will be equal to 20% of the EBT of MIG.
- Taxes are assumed to be 25% of EBT.

MIG Consolidated Revenue Forecast 2015-2020 (\$000)

Royalties	2015	2016	2017	2018	2019	2020	Total
Net to PDS	\$3,750	\$21,250	\$23,750	\$35,000	\$25,000	\$21,875	\$130,625
% Royalties - Top Line	75%	71%	68%	64%	63%	63%	65%
Royalties Paid							
PTSC (50%)	\$1,875	\$10,625	\$11,875	\$17,500	\$12,500	\$10,938	\$65,313
CHM (23.925%)	\$897	\$5,084	\$5,682	\$8,374	\$5,981	\$5,234	\$31,252
TPL (26.075%)	\$978	\$5,541	\$6,193	\$9,126	\$6,519	\$5,704	\$34,060
Net to TPL	\$978	\$5,541	\$6,193	\$9,126	\$6,519	\$5,704	\$34,060

MIG Licensing & Litigation Revenue Forecast 2015-2020 (\$000)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	6 Yr Total
Licensing Revenue	\$5,000	\$20,000	\$15,000	\$5,000	\$0	\$0	\$45,000
Litigation Revenue	\$0	\$10,000	\$20,000	\$50,000	\$40,000	\$35,000	\$155,000
Tot Rev Forecast	\$5,000	\$30,000	\$35,000	\$55,000	\$40,000	\$35,000	\$200,000
Agility Lit Cont (30%)	\$0	\$3,000	\$6,000	\$15,000	\$12,000	\$10,500	\$46,500
Agility Lic Comms (5%)	\$250	\$1,000	\$750	\$250	\$0	\$0	\$2,250
3rd Party Lit Support	\$0	\$250	\$500	\$1,250	\$1,000	\$875	\$3,875
MIG Qtr Advance	\$500	\$1,000	\$1,000	\$500	\$0	\$0	\$3,000
MIG Lic Comms (20%)	\$500	\$3,000	\$2,000	\$500	\$0	\$0	\$6,000
MIG Lit Comms (5%)	\$0	\$500	\$1,000	\$2,500	\$2,000	\$1,750	\$7,750
Net to PDS	\$3,750	\$21,250	\$23,750	\$35,000	\$25,000	\$21,875	\$130,625
Gross Payout %	75.0%	70.8%	67.9%	63.6%	62.5%	62.5%	65.3%

PRO FORMA INCOME STATEMENT MIG, 2015-2020 (\$000)

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

Conclusion

The MMP Plan for reorganization is based on the separation and segmentation of TPL's IP assets (almost exclusively, licensing rights) into separate "Silos". MIG is the commercialization entity that is to be created to manage the MMP portfolio, arguably the most valuable asset in the TPL stable of patents.

Yet Moore Innovations goal is not to license IP; its goal is to promote and sell the vision and genius of its founder, Charles H. Moore. While MMP is a significant part of that vision, it is not the only part, and it represents the past. MIG is interested in evangelizing Mr. Moore's future technology, which is embodied in the GA144 microprocessor. The GA144 needs funding to succeed, funding to be derived from licensing MMP.

MIG will re-introduce the MMP brand to the technology world, removing the stigma of the patent troll TPL and its sister company Alliacense from the portfolio. MIG wants to partner with its current and future licensees providing engineering and technical expertise to help these companies move forward.

MIG will incorporate a new three section claim chart for the US'336 patent, the most valuable patent in the portfolio. US'336 has withstood multiple attacks on its validity and has beaten a huge and well funded technology giant in HTC. These facts coupled with a true American hero and genius in Chuck Moore, practicing the art of his inventions, and MIG has a very good chance at achieving tremendous success in the future.

MIG will offer software and services to its licensee partners, helping them fight off attacks by trolls and help them achieve the highest value possible for their own internal IP.

MIG will partner with TPL, PDS, its law firm partner and GreenArrays to bring its vision to market.

MIG expects to generate \$200 million in licensing and litigation revenue over the next five years, with nearly two thirds of the total revenue being returned to PDS for distribution as royalties. This is achievable because MIG will create a small group of licensing, business and engineering professionals to lead the effort for MMP.

The TPL Group's fortunes have been in decline for six years, and the probability of the current team of resurrecting its brand is remote. Alliacense, TPL's sister company, remains a patent troll. Trolls have been under increasing, and increasingly vocal, attack for years, and this reality is unlikely to change in the near or distant future.

MMP's future is now, and that future should be led by Moore Innovations Group.

APPENDIX

SUMMARY

Results-oriented Senior Executive with broad-based licensing / brokerage, operations, finance and marketing expertise. Over 23 years of progressive experience in creating, implementing and managing organizations and creating solutions that generate increased revenues and improve profit performance. Consistently exceeds expectations by combining strong leadership and creative management techniques with strong operational skills. A proven leader with a history of producing results on time and on budget with broad-based capabilities and expertise in the following areas:

- ◆ **IP Licensing & Brokerage**
- ◆ **Sales/Marketing**
- ◆ **Strategic Planning**
- ◆ **Financial Analysis**
- ◆ **Product Development**
- ◆ **Product & Market Research**
- ◆ **Customer Relationship Management**
- ◆ **New Business Development**
- ◆ **Supply Chain Management**
- ◆ **Team Building**

PROFESSIONAL EXPERIENCE

CEO, 2009-Present**Zaphod, Inc.**

- ▶ **Startup** custom software development company using agile development techniques to deliver a wide variety of solutions, including:
 - ▶ **ATS CRM ERP Internet Commerce Pricing Systems IP Management**
- ▶ **Designed** & implemented CRM system (“NorthStar”) for Toyota Materials Handling (“TMHNC”), reducing overhead by 25% and increasing sales visibility and quicker response times by the sales and sales support staff.
- ▶ **Built** and deployed “MobileStar” for TMHNC, a Remote Client system used by over 70 field support technicians, increasing productivity and management visibility of the Service Department.
- ▶ **Designed** and implemented “TrueCORE” for True Design Concepts, a custom product pricing and CRM system, greatly enhancing productivity and visibility on the company sales pipeline to major retailers such as WalMart, Costco, Office Max and Staples.
- ▶ **Created** Rapporum[™], a revolutionary SAS software product for the HR Recruitment market. The system eliminates the need for resumes, keyword searches and all the “old” methods for hiring best fit candidates.

INDEPENDENT CONTRACTOR, 2009-Present**Charles H. Moore, Inventor & Computer Scientist**

- ▶ As Consultant to Chiles & Prochnow, LLP, Developed Business Plan and Disclosure statement to remove the TPL Group from Ch 11 Bankruptcy while retaining ownership and licensing rights to the MMP Portfolio of Patents for Mr. Moore.
- ▶ Working as the Business Agent for Mr. Moore, lead negotiator in his dispute with the TPL Group, a patent licensing firm currently marketing the MMP Portfolio (Moore Microprocessor Portfolio), which has gained over 90 licenses and has generated hundreds of millions of dollars in licensing revenue (See Alliacense Corp., below). Completed settlement agreement with TPL in January, 2013.

Patent Profit International, LLC, Menlo Park, CA

- ▶ Completed 20 patent portfolio prospectus’ for PPI, a leading patent brokerage firm, increasing sales revenue.

GreenArrays, Inc., Cheyenne, WY

- ▶ **Business Operations Manager** Secured IP rights for both the MMP and Array patent portfolios through negotiation with the TPL Group, freeing the organization to pursue new business and produce new products.

VICE PRESIDENT OF LICENSING OPERATIONS, 2005 – 2009**Alliacense Corp, TPL Group, Cupertino, CA**

- ▶ **Built** Licensing Operations unit, its processes and systems that increased licensing revenues from \$5M to over \$250M in 4 years. Worked with the President and licensing team to develop a pricing and marketing strategy that led to the successful launch of the MMP Patent Portfolio.
 - ▶ **Total** MMP program licensees jumped from 1 to 50 during the latest 4 year period. Licensees include:

Intel	AMD	HP	Fujitsu	Sony	Toshiba
Bosch	Panasonic	Agilent	Nokia	Ford Motor	Philips
- ▶ **Increased** licensing pipeline from 6 companies to over 400. Estimated pipeline value has grown from \$100M to over \$1B.
- ▶ **Designed** & implemented Licensing Operations workflow system that increased productivity from 20 claim charts per month to over 350 per month. The system integrated all aspects of IP Licensing, including claim chart production, reverse engineering reports, market research, patent & claim construction, CRM, and inventory control functions.
 - ▶ **Automated** product report creation process, reducing the time from 4 hours to 5 minutes.
 - ▶ **Deployed** patent / claim construction module greatly increasing the productivity of the claim chart production process by standardizing and automating many common elements. System can and has been scaled to track multiple portfolios, multiple patents, and multiple regions around the world.
 - ▶ **Integrated** market research module such that information regarding industry trade shows or reports are easily uploaded and linked to companies within the database system, increasing efficiency.
 - ▶ **Developed** Reverse Engineering product purchasing and inventory control workflow system that greatly increased efficiency while reducing RE completion time and inventory shrinkage. RE report production zoomed from 0 to over 700 reports in 6 months.
 - ▶ **Created** CRM workflow management module for this secure, encrypted web-based system so that remote users could access real-time data any time, anyplace. To date, the system has recorded zero down time due to software or server failure.
 - ▶ **Designed** technical response knowledgebase that would organize technical responses created for the licensing organization so that information could be shared and leveraged. This reduced the response time from 2 weeks to 2 days.
- ▶ **Supported** litigation and PTO Re-exam process while working closely with outside counsel to develop claim charts, claim construction arguments, vetting patents, and developing the overall litigation strategy against 7 major defendants.
- ▶ **Completed** business plan for the President that could dramatically reduce the licensing sales cycle, while also reducing costs and complexity.
- ▶ **Researched** and developed new channels and contacts for acquiring products for reverse engineering purposes, creating access to products in over 22 industries, including consumer electronics, computers, mobile phones, automotive equipment, medical devices, networking gear, aerospace and industrial equipment.

VICE PRESIDENT OF BUSINESS OPERATIONS, 2004-2005**IntellaSys Corp., TPL Group, Cupertino, CA**

- ▶ **Developed** MRD for Wireless Home Theatre System project. System is to provide DVD quality sound through a 7:1 tuner and speaker system up to a 50' radius, wirelessly.
- ▶ **Designed** and managed accounting system for 5 subsidiary companies of the TPL Group, and was acting CFO of the start-up organization. Managed all A/R, A/P and asset purchases for the engineering and other organizations.
- ▶ **Project** manager 24-core chip being developed for use in Home Theatre Project.

PROJECT MANAGER, Worldwide Sales Operations, 1998-2002
3COM Corporation, Santa Clara, CA

- ▶ **Directed and implemented** two phases of an Exception Pricing project that integrated the approval workflow system with SAP, Siebel Sales, and Oracle based B2B web based systems, leading to more efficient and timely processing of exception pricing requests. System augmented audit process, greatly reducing product gray marketing and order input errors.
- ▶ **Integrated** Trade and Compliance approval process with exception pricing process, allowing international customers to be screened and approved in parallel with exception pricing requests being evaluated. This greatly reduced shipping holds and improved supply chain efficiency.
- ▶ **Created** Hyperion Essbase reporting system within the central data warehouse, tracking total approvals by month, customer, and sku for dollars and units. This system increased total visibility to exception pricing requests while reducing time and effort developing reports on a worldwide basis.
- ▶ **Re-designed** the PTS Hyperion Essbase reporting application, allowing for information to be viewed regionally by territory manager, by end user, and by direct partner down to the sku level. These changes increased visibility to the pipeline, and enhanced pipeline trend analysis.

SYSTEMS EXPERIENCE

Linux, Windows, Unix and Mac OS, Oracle, Siebel, Microsoft CRM, Salesforce.com, SAP, Informix, MS Access, Hyperion Essbase, and Pillar database systems, Microsoft Office Suite, MS Project, Visio, Publisher, Lotus Notes, Adobe Photoshop, Illustrator, client / server, mainframe, and web based data delivery systems.

EDUCATION, CERTIFICATIONS & OTHER

Council Member & Secretary,
Alta Vista Community Charter School, 2013 – 2014

Board Member and Player Agent
Auburn Little League, 2014

Master of Business Administration
Pepperdine University, Malibu, CA, 1991

Master of International Business
IGS University, Paris, France 1992

Bachelor of Science, Finance
California State University, Northridge, CA 1982

Licensing Executive Society
USA & Canada, 2007

TPL Pro Forma Profit & Loss, 2015(\$000)

TPL Revenue Projection	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
MMP Royalty & Litigation Rev	\$391	\$391	\$293	\$1,335	\$2,410
FL / CF Lic & Lit Rev (H)	\$293	\$293	\$220	\$1,001	\$1,807
Gross Revenues	\$684	\$684	\$513	\$2,336	\$4,217
Less: Lic & Lit Comms (I)	\$88	\$88	\$66	\$300	\$542
Gross Margin	\$596	\$596	\$447	\$2,036	\$3,675
Administrative Expenses					
Ch 11 Trustee	60	60	60	60	240
U.S. Trustee	4	4	4	4	15
Admin	6	6	6	6	24
Audit & Litigation (J)	25	25	25	25	100
Other Expenses	10	10	10	10	40
Net Expenses (K)	105	105	105	105	420
EBT	\$491	\$491	\$342	\$1,931	\$3,255
Taxes (L)	\$108	\$108	\$75	\$425	\$716
Net Income	\$383	\$383	\$267	\$1,506	\$2,539
Starting Cash (A)	\$1,600				\$1,600

TPL Pro Forma Profit & Loss, 2015 – 2020 (\$000)

TPL Revenue Projection	FY 2015	FY 2016	FY 2017	FY2018	FY 2019	FY 2020	6 Yr Total
MMP Royalty & Litigation Rev	\$2,410	\$8,148	\$10,104	\$7,823	\$9,126	\$8,311	\$45,925
FL / CF Lic & Lit Rev (H)	\$1,807	\$3,259	\$4,042	\$3,129	\$3,651	\$3,325	\$19,212
Gross Revenues	\$4,217	\$11,408	\$14,146	\$10,952	\$12,777	\$11,636	\$65,137
Less: Lic & Lit Comms (I)	\$542	\$978	\$1,212	\$939	\$1,095	\$997	\$5,764
Gross Margin	\$3,675	\$10,430	\$12,933	\$10,013	\$11,682	\$10,639	\$59,373
Administrative Expenses							
Ch 11 Trustee	240	240	240	240	240	240	1440
U.S. Trustee	15	15	15	15	15	15	90
Admin	24	24	24	24	24	24	144
Audit & Litigation (J)	100	300	300	200	100	0	1000
Other Expenses	40	40	40	40	40	40	240
Net Expenses (K)	420	315	630	840	1365	2205	2914
EBT	\$3,255	\$10,115	\$12,303	\$9,173	\$10,317	\$8,434	\$56,459
Taxes (L)	\$716	\$2,225	\$2,707	\$2,752	\$3,611	\$2,952	\$14,962
Net Income	\$2,539	\$7,890	\$9,596	\$6,421	\$6,706	\$5,482	\$38,633
Starting Cash (A)	\$1,600						
Net Payout to Creditors	\$4,139	\$7,890	\$9,596	\$6,421	\$6,706	\$5,482	\$40,233
Admin Claims (M)	2000	0	0	0	0	0	\$2,000
Priority Claims	134	0	0	0	0	0	\$134
Class 2 (CCC)	805	0	0	0	0	0	\$805
Class 3 (Leckrome)	625	375	0	0	0	0	\$1,000
Class 4 (Venkidu)	0	5022	0	0	0	0	\$5,022
Class 5 (Convenience)	75	0	0	0	0	0	\$75
Class 6 (Gen Unsecured) (N)		\$2,493	9596	6421	1000	0	\$19,510
Class 7 (Insiders) (O)		0	0	0	6706	2300	\$9,006
Class 8 (Rejection)		0	0	0	0	1000	\$1,000
WCR	500	0	0	0	0	0	
Total Amount	\$4,139	\$7,890	\$9,596	\$6,421	\$7,706	\$3,300	\$38,552

MIG Pro Forma Profit & Loss, 2015-2020

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

Notes to the Financial Statements

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

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

- A. The Starting cash estimates were those used in the JPDS¹
- B. MMP Revenue is split 80/20 with litigation proceeds taking 80% of the total, due mainly to the expiration of the patents in the near future.
- C. Litigation fees for Agility Law LLP are expected to average 30%. Agility also earns 5% on all MMP licensing revenue
- D. 3rd party litigation support fees are expected to be 2.5% of litigation proceeds.
- E. MIG licensing commissions are estimated to be 20% on licensing revenue and 5% on litigation revenue.
- F. MIG will receive a quarterly advance on commissions of \$250,000 from PDS for a total of 3 years.
- G. Direct SG&A expenses for MIG are detailed in the MIG Business Plan attached as an exhibit to this document.
- H. The CoreFlash and Fast Logic portfolios are expected to earn an average of \$3.2 million per year in both licensing and litigation revenue over the 6 year term.
- I. Licensing and litigation expenses are expected to average 30% combined.
- J. A reserve of \$1 million has been included for potential litigation and internal audit of disputed claims or contracts with the Debtor.
- K. TPL combined expenses, not including litigation and licensing expenses noted above, are expected to average \$500,000 per year.
- L. Taxes gradually increase from 22% to 35% over the six year term. Taxes are based on net income before payment to creditors, as it is assumed that many of the expenses have already been expensed for tax purposes in previous years. Mr. Moore is unaware of any possible tax credits that may benefit TPL moving forward.
- M. Administrative Claims are assumed to be \$2 million.
- N. An initial review of the unsecured claims assumes that several of the claims will be disputed, and will be reduced in value. Disputed claims will be the province of the Bankruptcy Trustee alone and not Mr. Moore.
- O. All Class 7 Claims (A, B & C) are assumed to have allowed claims equal to 20% of the current claimed amount.

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