

**2660 GRANDOAKS DRIVE  
WESTLAKE VILLAGE, CA 91361**

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United States Bankruptcy Court  
San Jose, California

United States Bankruptcy Court  
Northern District of California - San Jose Division  
280 South First Street, San Jose, CA 95113

January 4th 2016

**In re Case 13/51589 Technology Properties Limited (LLC)**  
**(Chapter 11) - The Honorable Judge Stephen L. Johnson**

Dear Judge Johnson:

I write to the Court as a long-term shareholder of Patriot Scientific Corp. (PTSC) having been associated with the Moore Microprocessor project prior to initial production,

For your ease of reference I have included as Attachment A my letter to you of January 30<sup>th</sup>, 2015 – almost a year ago. I have also included as Attachment B a ‘raw’ copy of Exhibit F to the Plan of Operation as it was at that time. I believe the 12 listed items remain as they were but that the first paragraph was modified at your request.

Many creditors of TPL and shareholders of PTSC had hoped that the effect of entering Chapter 11 by TPL would serve as notice to Daniel Leckrone that his questionable practices over many years (some of which are summarized in Appendix B) needed to cease so that TPL could perform as it should to provide value to its clients and customers.

It would seem that many “promises” were made by Daniel Leckrone during this lengthy process under your jurisdiction, these “promises” being made with the goal of inducing the various creditor parties, the U.S. Bankruptcy Trustee(s) and your good self to approve the Plan of Operation. This approval was subsequently given, much to my concern given the history of TPL and Daniel Leckrone with respect to PTSC/PDS.

I hope the Court will at least take this current letter and its two Appendices into consideration. I hope the Court will be able to discern that the history of this turbulent relationship with PTSC appears to have worsened over the past year to the clear detriment of PTSC and the resultant decimation of the stock market’s valuation of PTSC. I know I express the sentiments of many PTSC shareholders in begging the Court to find some way to force TPL and/or Daniel Leckrone to provide to PDS all necessary documentation and knowledge so that PDS may re-start the MMP licensing program which has been stalled by the apparent intransigence of Mr. Leckrone and his partners and associates.

I feel I must reiterate that the Plan of Operation seems to be essentially a list of conditions set by TPL followed by reasons which, to me, seem more like threats as to why rejection of the Plan, and the resultant Chapter 7, is or could become undesirable.

My focus is again on Exhibit F in that it leads one to infer that there must be a significant degree of risk that TPL, absent this Exhibit F, would be found liable for each of the 12 egregious items. Were this not a reasonable inference, I would contend that there would be no need for Exhibit F to exist. Almost every one of these 12 items indicates a questionable transaction by TPL for the benefit of various family, close friends and business associates of Mr. Leckrone, regardless of which of his multiple companies are involved. The

predominant sense that I, as a layman, draw from Exhibit F is that Mr. Leckrone either deliberately moved valuable assets and money out of TPL and/or made unauditible "verbal" promises of great value at the expense of TPL and/or took (or failed to take) other actions that apparently deliberately reduced the value of TPL. Several people have commented that this shifting of assets may have been deliberately timed as a pre-cursor to TPL filing for Chapter 11 bankruptcy. Similar comments have been made regarding the timing and unpublished settlement between PTSC and TPL. I am not competent to determine whether the comments hold any truth but it is not difficult to have a suspicion. It is not for me to accuse TPL, or even Mr. Leckrone, of any malfeasance but I am surprised that the U.S. Bankruptcy Trustee or even Creditors have not sought fiduciary or legal investigation. I do feel the accounts of TPL (and perhaps PTSC) should undergo an intense audit back several years to truly assess the accurate accounting, taxation and the financial/fiscal impact of all 12 items on TPL's liquidity and eventual bankruptcy filing.

Some of these questionable transactions could perhaps be ordered to be rectified or reversed and would immediately fund TPL with several millions of dollars which could be used to pay down TPL's liabilities. Whether the Board of PTSC was complicit or aware of any of these transactions is, to me, indeterminable. The Board has consistently refused to provide any detailed information of, or reason for, the agreement changes between PTSC and TPL (and maybe PDS) just prior to TPL filing Chapter 11. The Interim PTSC CEO, Clifford Flowers, did tell me that Dan Leckrone had stipulated utter confidentiality regarding the revised agreement and PTSC agreed in the hope that MMP licensing would restart. Mr. Flowers also cited "risk" as a reason he would not personally invest in PTSC but refused to clarify what he found risky. Subsequent comments implicate his views on the business relationship with TPL and Daniel Leckrone. The unearthing of how TPL or Daniel Leckrone allegedly commingled fees from Apple by more heavily weighting another patent portfolio over MMP added to concerns – and in the minds of many has resulted in later MMP licenses being seriously undervalued. More recently PTSC shareholders have discovered vast amounts of previously "confidential" information as a result of PACERs associated with this case.

I will add some information regarding Item 10 of "Exhibit F". I am advised that the authority in England known as the "Land Registry" recorded the sale of "Sandhurst" on November 9<sup>th</sup> 2015 at the price of GBP1,700,000 (approximately \$2,500,000). The private residential property was, to the best of my information, recorded in the name of Ms. Neal, whose relationship with Mr. Leckrone well precedes TPL by many years, according to her bio on TPL's website. Some if not all of those proceeds should surely be used to repay the monies owed to creditors of TPL, although it might be possible that the TPL funds cited in Item 10 passed through one of the offshore banks associated with TPL or the Leckrone operations. I presume the IRS or the UK equivalent would be aware of such transactions or could help track them.

Many long-term PTSC shareholders hold their investments even now because they believe in the MMP patents, the sole valuable asset of PTSC albeit shared with a Leckrone company (not TPL, it seems). We have endured many questionable events over the years, not least of which was an issue of Warrants to a private company owned by Mr. Eric S. Swarz, the erstwhile employer (Roswell Capital) of Mr. Carlton Johnson, one of the Board members of PTSC. Mr. Leckrone at one point declared ownership of "about 3 millions shares of PTSC" but even with his powers over, and intimate knowledge, PTSC's entire business he was never shown as a "Constructive Insider" in SEC terms.

*"A person who is not considered an insider of a publicly-traded company but may still have access to nonpublic information that is expected to remain nonpublic. For example, a lawyer working for a firm retained by a publicly-traded company may be a constructive insider. Constructive insiders are expected to abide by the same rules as actual corporate insiders; that is, they may not reveal or profit from nonpublic information."*

*from <http://financial-dictionary.thefreedictionary.com/Constructive+Insider>*

We long-term shareholders are an aging group with a lot of distrust of PTSC and TPL or the Leckrones. With our investments in PTSC all but lost by a chain of poor decisions, poor investments, poor performance, poor management, poor partnerships and an air of extreme secrecy, we look to the U.S. judicial system to "make things right" by paving the way to renewed monetization of the MMP, whether that be via the powers of the U.S. Bankruptcy process or indirectly via the S.E.C., the I.R.S. or some other regulatory or investigative body, or all of them.

In the interests of all "third-party" creditors of TPL, including PTSC shareholders, a stop must be made, and quickly, to the ongoing delays in resolving the current, untenable, situation. The assets of Exhibit F should be seized, in kind or in cash, monetized as appropriate and distributed to creditors. TPL/Alliacense the Leckrone family and "associates" must be mandated a clear path to immediately and aggressively pursue MMP licensing by providing PTSC/PDS with the previously promised engineering and infringement notification documents. If a determination is made to fairly 'split' the pursuit of infringement it should be by a random choice as simple as an independent party randomly assigning each alleged infringer to one of two "pots" and either the Creditors or TPL choosing one pot, PTSC getting the other. Milestones and achievement criteria must be set and parties held financially accountable for missing milestones without reasonable cause. Time is very much money here as the patents expire.

My comments herein are personal thoughts and observations and most certainly are not to be construed as accusations or similar. It is for others to determine what actions, if any, might be appropriate.

I admire the Court for its apparent patience in this long case and I thank the Court for its indulgence in reading thus far. I trust in the Court's sense of justice to determine what is legally and, wherever possible, morally the right, appropriate and expeditious closure to this case.

Respectfully submitted:



Roy J. Good

Attachment A	Letter dated 1/30/2015
Attachment B	Copy of Exhibit F

**ATTACHMENT A**  
**2660 GRANDOAKS DRIVE**  
**WESTLAKE VILLAGE, CA 91361**

United States Bankruptcy Court  
Northern District of California - San Jose Division  
280 South First Street, San Jose, CA 95113

January 30th 2015

**In re Case 13/51589 Technology Properties Limited (LLC)**  
**(Chapter 11) - The Honorable Judge Stephen L. Johnson**

Dear Judge Johnson:

I write to the Court as a shareholder of Patriot Scientific Corp. (PTSC) and as one who worked briefly with Mr. Helmut Falk (Sr.) during the very early stages of design and development of what is now known as the Moore Microprocessor Patent portfolio (MMP) suite of patents. I still have my notes from that time, some 20 years ago, asking Helmut to be sure all patents were in place as he prepared to roll out early developer kits around what was then known as the Shboom microprocessor. Helmut and I had previously worked together in Europe. Gloria Felcyn, now a long-term member of the Board of Directors (BoD) of PTSC, was formerly a business associate of Mr. Falk and his company Nanotronics Corporation.

I provide this information merely to set a point of reference for my background and my interest in the MMP.

I could tell the Court of the lack of confidence and trust in the PTSC BoD by many of its shareholders, prompted in large part by years of non-performance of the BoD, the devastating drop in valuation of PTSC and the egregiously excessive remuneration to the members of the BoD, including the "Interim CEO".

A lack that was enough to vote on and pass, by a large margin, two shareholder-initiated proposals aimed at changing director voting from plurality to majority - only to have the BoD ignore the results.

A lack triggered in part by the BoD's minimal, at times disdainful, interaction with shareholders such as ignoring requests for information on material events - most notably the reasons for and effects of PTSC's sudden settlement with TPL after PTSC litigated against TPL. The original agreement was made available to shareholders, but not the modified one. Most recently PTSC has refused multiple times to even provide such non-controversial information as the name of the newly appointed third member of Phoenix Digital Solutions (PDS).

It is because of this distrust that I hope the Court will at least take this letter into consideration. The Court will already be aware of a letter in support of Mr. Moore's alternative Plan in competition with the Debtor's Plan. I understand why this failed on many counts. However, I hope the Court was able to draw from it some other indications on the history of this turbulent relationship and the sentiments of many PTSC shareholders.

I will not dwell on the main content of the Plan under consideration. To me it is essentially a list, yet again, of conditions set by TPL followed by reasons which, to me, seem more like threats as to why rejection of the Plan, and the resultant Chapter 7, is or could become undesirable. The interested creditors will, presumably, vote whichever way suits their own needs and expectations.

My focus is on **Exhibit F** which pretty much sets down in writing 12 bulleted topics for which TPL (and thus Mr. Daniel Leckrone) seeks release and exoneration. The very existence of this list leads one to infer that there must be a significant degree of risk that TPL, absent this Exhibit F, would be found liable for each of these 12 egregious items. Were this not a reasonable inference, I would contend that there would be no need for Exhibit F to exist. Exhibit F, to this layman, seems equivalent to a pretty heavy "Get Out Of Jail Free" card but without first having to go to jail.

Almost every one of these 12 items indicates a questionable transaction by TPL for the benefit of various family, close friends and business associates of Mr. Leckrone, regardless of which of his multiple companies are involved.

My comments on Items 1 and 2 are best left unwritten, other than to say I feel it is morally, if not legally, wrong to add to the already unrealistic money the Leckrone extended family have received over the years, especially when and where no clear independent written evidence exists of any alleged agreements.

Items 3 through 8 and 10 all imply the transfer of TPL assets, whether patents or money or otherwise, away from TPL to entities related to Mr. Leckrone and without any compensation to TPL. These questionable transactions should be rectified and would immediately fund TPL with several millions of dollars which could be immediately used to pay down TPL's liabilities. Several people have commented that this shifting of assets may have been deliberately timed as a pre-cursor to TPL filing for Chapter 11 bankruptcy. Similar comments have been made regarding the timing and unpublished settlement between PTSC and TPL. I am not competent to determine whether the comments hold any truth but it is not difficult to have a suspicion.

I also do not believe myself to be qualified to comment on items 9, 11 and 12 but I do feel the accounts of TPL should undergo an intense audit back several years to truly assess the accurate accounting, taxation and the financial/fiscal impact of all 12 items on TPL's liquidity and eventual bankruptcy filing.

I will add some information regarding Item 10. It seems strange that the mansion in England is for sale when its value is clearly a potential asset of TPL. At a PTSC Annual Meeting a few years ago near Carlsbad, I asked Mr. Leckrone why TPL needed such a vast mansion as the TPL European Headquarters, as it was named on TPL's website. Mr. Leckrone saw fit to come over to me after his presentation and not very politely ask what business of mine it was. I told him that as a shareholder of PTSC I hoped we weren't being billed for a mansion rather than a simple office. His response was essentially that TPL was renting just one room there. I stopped short of asking which one. After queries made in England, I determined that (a) the property was not approved for business use and (b) Technology Properties Limited (or similar) was not registered with UK tax authorities. The private residential property was, to the best of my information, recorded in the name of Ms. Neal, whose relationship with Mr. Leckrone well precedes TPL by many years, according to her bio on TPL's website. The alleged "rent" (regardless of whether or not it was a "fair" rent) and the alleged payments for the education of Ms. Neal's daughter are probably unrecoverable (unless such payments were found to be accounted for fraudulently and/or incorrect taxed in either country). However, the mansion is listed for what is now well above \$2,500,000. Some of those proceeds should surely be used to repay the monies owed to creditors of TPL.

I thank the Court for its indulgence in reading thus far and trust in the Court's sense of justice to determine what is legally and, wherever possible, morally the right and appropriate closure to this case.

Respectfully submitted:



Roy J. Good

# ATTACHMENT B

*NOTE: 1/4/2016: The first paragraph was, I believe, modified at the request of Judge Stephen Johnson in or around early February 2015.*

## EXHIBIT F

*Under the Joint Plan, Daniel Leckrone, his family members, his business associates and the entities that he owns (including Alliacense) will be released and exonerated as of the Effective Date of the Joint Plan from any and all liability in connection with each and all of the following bases for possible claim (such release and exonerated to be final and unconditional except in the event of subsequent conversion this case to Chapter 7, in which event any release or exonerated shall be withdrawn and deemed void, with a tolling of any applicable statute of limitations from the date of filing of this bankruptcy case to and through the date of such Chapter 7 conversion):*

1. Mr. Leckrone's submission of the \$4 million Leckrone Secured Claim for funds he allegedly loaned to Debtor TPL (such claim being allowed and subordinated under the Joint Plan and not subject to challenge)

2. The Leckrone family members' submission of multi-million dollar Employee Compensation claims based upon oral contracts with Debtor TPL (such claims being allowed and paid under the Joint Plan).

3. The 2012 transfer of licensing rights to the MMP portfolio from Debtor TPL to Alliacense, a company owned by Mr. Leckrone, with no compensation or consideration provided to TPL, and with Alliacense gaining entitlement to 20% of gross MMP licensing revenues and to payment for "litigation support" services in TPL-funded litigation.

4. The transfer of the "OnSpec" portfolio patents from Debtor TPL to a Leckrone entity, with no compensation or consideration provided to TPL, and with TPL funding the Leckrone entity's acquisition of the patents.

5. The transfer of the "Fast Logic" portfolio of patents from Debtor TPL to a Leckrone entity, with no compensation or consideration provided to TPL, including with limitation any and all liability for

(1) a TPL guarantee of a Leckrone entity payment for the patents, and payment of TPL funds to the seller when the Leckrone entity did not or could not make such payments;

(2) TPL-funded Fast Logic litigation in which the Leckrone entity is receiving a portion of settlement proceeds without payment of litigation expenses;

(3) retention of the Leckrone entity Alliacense for litigation support in that litigation;

(4) exposure of Debtor TPL, in the event of loss at trial of claims not settled in that litigation, to a prevailing party attorney's fee award.

6. The transfer of the "Chipscale" portfolio of patents from Debtor TPL to Mr. Leckrone, with no compensation or consideration provided to TPL, although TPL is liable for the purchase price

and litigation settlement costs resulting from such transaction.

7. The transfer of the "Array Portfolio" patents from Debtor TPL to a Leckrone entity, with no compensation or consideration provided to TPL.

8. Debtor TPL's transfer of \$15 million, more or less, from TPL to Mr. Leckrone's company Alliacense, in the absence of invoice or explanation for the purpose of such payment, at or about the time of Mr. Leckrone's \$4 million loan to TPL, providing the basis for the Leckrone Secured Claim.

9. Debtor TPL's other payments to and reimbursements of Alliacense for litigation support and other purposes.

10. Any use of TPL funds or assets toward the purchase of the "Sandhurst" property outside of London, England, which property has been the home of former TPL employee Janet Neal and which property is being sold without provision for payment of any funds to Debtor TPL.

11. Post-petition payments to Alliacense or to Mr. Leckrone of substantial portions of revenues realized from non-MMP licensing, under claim of commission, expense reimbursement or other rationale for such payments.

12. Any accounting of TPL expenditures (over \$60 million) on the failed IntellaSys venture.