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7 Attorneys for Official  
Committee of Unsecured Creditors

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

12 In re: )  
 )  
13 **TECHNOLOGY PROPERTIES LIMITED LLC,** ) Case No. 13-51589-SLJ-11  
**fake TECHNOLOGY PROPERTIES LIMITED** )  
14 **INC., A CALIFORNIA CORPORATION,** ) Chapter 11  
**fake TECHNOLOGY PROPERTIES LIMITED,** )  
15 **A CALIFORNIA CORPORATION,** ) Date: January 23, 2014  
 ) Time: 10:00 a.m.  
16 Debtor. ) Place: United States Bankruptcy Court  
 ) 280 S. First Street, Room 3099  
17 ) San Jose, CA 95113  
 ) Judge: Honorable Stephen L. Johnson  
18

19 **OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO**  
20 **DEBTOR'S DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (DECEMBER 23, 2013)**

21 **I. INTRODUCTION**

22 On October 31, 2013, Technology Properties Limited LLC (the "Debtor" or "TPL") filed its  
23 DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (OCTOBER 31, 2013) (the "October  
24 Disclosure Statement") and PLAN OF REORGANIZATION (OCTOBER 31, 2013) (the "October Plan").  
25 That same day, the Debtor served its DEBTOR'S NOTICE OF HEARING ON APPROVAL OF DEBTOR'S  
26 DISCLOSURE STATEMENT (OCTOBER 31, 2013) (as amended by the SECOND SUPPLEMENT AND  
27 AMENDED NOTICE OF HEARING ON APPROVAL OF DEBTOR'S DISCLOSURE STATEMENT filed by the  
28 Debtor on November 6, 2013 [Docket No. 261], the "Notice of Hearing"), which, among other

1 things, set a hearing date of December 5, 2013 for approval of the October Disclosure Statement and  
2 provided that November 28, 2013 was the last day for filing and serving written objections to the  
3 October Disclosure Statement.

4 On November 22, 2013, the Debtor filed its DISCLOSURE STATEMENT RE: TPL PLAN OF  
5 REORGANIZATION (NOVEMBER 22, 2013) (the "November Disclosure Statement") and its PLAN OF  
6 REORGANIZATION (NOVEMBER 22, 2013) (the "November Plan"). The Court held a hearing on the  
7 November Disclosure Statement and continued the hearing to December 18, 2013. On December 9,  
8 2013, the Debtor filed its DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (DECEMBER  
9 9, 2013) (the "December Disclosure Statement") and its PLAN OF REORGANIZATION (DECEMBER 9,  
10 2013) (the "December Plan"). The Committee filed its objections to the December Disclosure  
11 Statement on December 17, 2013.

12 On December 18, 2013, the Court conducted a hearing on the December Disclosure  
13 Statement, sustaining two of the Committee's objections regarding (i) adequacy of the disclosure as  
14 it relates to powers of the Committee representative on the PDS Board and (ii) adequacy of the  
15 explanation of the treatment of Class 7 claims, and overruling the balance. The Debtor has now filed  
16 its DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (DECEMBER 23, 2013) (the  
17 "December 23 Disclosure Statement") and its PLAN OF REORGANIZATION (DECEMBER 23, 2013) (the  
18 "December 23 Plan") to address the sustained objections. At the December 18 hearing, the Court  
19 allowed the Committee an opportunity to file an objection on or before January 9, 2014 with the  
20 caveat that it did not expect the Committee to further argue any objection to which the Court has  
21 overruled. By this pleading, the Committee objects to the December 23 Disclosure Statement as  
22 follows:

23 1. The December 23 Disclosure Statement does not adequately explain  
24 commercialization of the MMP Portfolio, operations of PDS and the practical effect and benefits of  
25 putting a nominee of the Committee on the PDS Board.

26 2. In addition, subsequent to the December 18 hearing date, Charles Moore filed a  
27 motion for the appointment of a Chapter 11 trustee [Docket No. 345] which, among other things,  
28 attached a recent decision from the U.S. International Trade Commission as Exhibit 4 to his Request

1 for Judicial Notice. The December 23 Disclosure Statement should include a discussion of this  
2 ruling and its effect on the December 23 Plan.

3 **A. The MMP Portfolio And Seat On The PDS Board**

4 The December 23 Disclosure Statement still does not adequately describe how the  
5 Committee would have all control over the MMP Portfolio and in fact appears to place substantial  
6 limitation on the Committee's representative's powers. While the December 23 Disclosure  
7 Statement does clarify that upon appointment of the Committee representative to the PDS  
8 Management Committee, the Committee representative has all of the powers and responsibilities that  
9 Dan Leckrone has, including regarding the appointment of a third member, it also provides that "If  
10 the PDS Management Committee demands that TPL fund PDS, then Mr. Leckrone's seat on the  
11 PDS Management Committee shall immediately revert to him or his heir, successor or assign with  
12 the authority to approve any third member of such Committee as may be permitted by law and  
13 contract." December 23 Disclosure Statement, p. 44:7-10.

14 The December 23 Disclosure Statement does not explain why the seat will automatically  
15 revert to Dan Leckrone in the event of a capital call. As the Court noted at the December 18 hearing,  
16 it is not the capital call that triggers a potential takeover of TPL's interest in the MMP Portfolio, it is  
17 the failure to respond to the capital call that may cause such unfavorable consequences. What is the  
18 purpose of restoring Dan Leckrone to the PDS Management Committee "with authority to approve  
19 any third member..." Can he somehow reverse the decision for a capital call? Can he remove or not  
20 approve any third member that may have been appointed following the appointment of the  
21 Committee representative? What is the benefit to creditors?

22 **B. The Debtor Should Include A Discussion Of the Recent ITC Decision.**

23 In his Motion for appointment of a Chapter 11 Trustee [See Docket No. 345-1], Charles  
24 Moore, the inventor of the MMP patent portfolio, has attached a decision from the International  
25 Trade Commission that, according to Mr. Moore, has "...mid-course, changed the rules of the  
26 game". *Id.* at p.7:6-9. Mr. Moore contends that by virtue of this decision, licensing efforts alone will  
27 not suffice to demonstrate a "domestic industry" in need of protection from infringement. He further  
28 asserts that under the ITC decision, efforts to protect patents from infringement will require a

1 demonstration “of the existence of articles practicing the asserted patents”. See REQUEST FOR  
2 JUDICIAL NOTICE [Docket No. 345-3], p. 2:24-28 and Ex. 4. The Debtor should be required to  
3 disclose and explain the effect of this decision on the December 23 Plan.

4 **II. CONCLUSION**

5 Prior to the filing of this Objection, counsel for the Committee and counsel for the Debtor  
6 had a brief meet and confer meeting regarding the foregoing. Because counsel will be discussing  
7 these matters further, the Committee respectfully requests that the Court keep the January 23, 2014  
8 hearing date as a holding date on approval of the December 23 Disclosure Statement pending a  
9 report on or before that date on the results of the meet and confer process.

10 Dated: January 9, 2013

DORSEY & WHITNEY, LLP

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12 By: /s/ Robert A. Franklin

13 Robert A. Franklin  
14 Attorneys for Official  
15 Committee of Unsecured Creditors  
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15 **A CALIFORNIA CORPORATION,** )  
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16 Debtor. ) Place: United States Bankruptcy Court  
 ) 280 S. First Street, Room 3099  
17 ) San Jose, CA 95113  
 ) Judge: Honorable Stephen L. Johnson  
18

19 **CERTIFICATE OF SERVICE**

20 STATE OF CALIFORNIA )  
 ) ss.  
21 COUNTY OF SANTA CLARA )

22 I am a citizen of the United States and employed in Santa Clara County. I am over the age of  
23 eighteen years and not a party to the above-entitled action; my business address is 305 Lytton  
24 Avenue, Palo Alto, California 94301.

25 On January 9, 2014, at my place of business, I served a true and correct copy of the following  
26 document(s):

27 **OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO**  
28 **DEBTOR'S DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (DECEMBER 23, 2013)**

1 in the manner indicated below:

- 2 ☒ **By Electronic Filing** said document(s) and transmission of the Notification of Electronic  
3 Filing by the Clerk to a Registered Participant(s), addressed as follows:

4 **United States Trustee**

Office of the U.S. Trustee  
John S. Wesolowski  
E-mail: john.wesolowski@usdoj.gov

6 **Office of the U.S. Trustee/SJ**

USTPRegion17.SJ.ECF@usdj.gov;  
ltroxas@hotmail.com

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**Debtor-in-Possession**

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8 **Request For Special Notice**

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- 22 ☒ **By Mail** by enclosing said document(s) in an envelope and depositing the sealed envelope  
23 with the United States Postal Service with the postage fully prepaid, addressed as follows:

24 **Request For Special Notice**

**Counsel for Charles H. Moore**

25 Kenneth H. Prochnow  
Robert C. Chiles  
Chiles and Prochnow, LLP  
2600 El Camino Real, Suite 412  
Palo Alto, CA 94306-1719

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This Certificate was executed on January 9, 2014 at Palo Alto, Santa Clara County, California. I declare under penalty of perjury that the foregoing is true and correct.

/s/ Sandra Bloomer

SANDRA BLOOMER