

1 Heinz Binder (SBN 87908)  
2 Robert G. Harris (SBN 124678)  
3 David B. Rao (SBN 103147)  
4 BINDER & MALTER, LLP  
5 2775 Park Avenue  
6 Santa Clara, CA 95050  
7 Tel: (408) 295-1700  
8 Fax: (408) 295-1531  
9 Email: [Heinz@bindermalter.com](mailto:Heinz@bindermalter.com)  
10 Email: [Rob@bindermalter.com](mailto:Rob@bindermalter.com)  
11 Email: [David@bindermalter.com](mailto:David@bindermalter.com)

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

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

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

Case No.: 13- 51589SLJ

Chapter 11

Date: January 23, 2014

Time: 10:00 a.m.

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

21 **TPL'S OBJECTION TO APPROVAL OF DISCLOSURE STATEMENT FOR OFFICIAL**  
22 **COMMITTEE OF UNSECURED CREDITORS' PLAN OF REORGANIZATION**  
23 **(DATED DECEMBER 17, 2013) UNDER 11 U.S.C. SECTION 1125 AND**  
24 **RESERVATION OF RIGHTS TO OBJECT TO PLAN CONFIRMATION**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## I. INTRODUCTION

Pursuant to Federal Rule of Bankruptcy Procedure 3017(a), TPL<sup>1</sup> objects as set forth below to approval of the OCC Disclosure Statement<sup>2</sup> on the ground that it does not contain adequate information as that term is used in Bankruptcy Code section 1125(a). The OCC Disclosure Statement should be supplemented with a section identifying the statements that TPL believes are untrue and the cross references respecting the same, and certain deletions should be made, as set forth below.

TPL further reserves its right to object to plan confirmation on any grounds, including but not limited to Bankruptcy Code section 1129(a) and 1129(b), and title 11 of the United States Code.

## II. OBJECTION

### A. Deletion of Inappropriate References to TPL Plan and TPL Information

1. TPL respectfully submits that the statements made by the OCC at page 1, lines 24-26<sup>3</sup> and page 4, lines 24-26<sup>4</sup> should be deleted from the OCC Disclosure Statement on the ground that the first purports to compare the OCC Plan<sup>5</sup> favorably to TPL's plan with neither explanation nor support, and the second suggests that there is no option for creditors other than a vote for the OCC Plan should they wish to receive any distribution in this case.

---

<sup>1</sup> Debtor and debtor-in-possession Technology Properties Limited, LLC ("TPL").

<sup>2</sup> Disclosure Statement For Official Committee Of Unsecured Creditors' Plan Of Reorganization (Dated December 17, 2013) (the "OCC Disclosure Statement")

<sup>3</sup> "The Committee believes that the restructuring contemplated by the Plan will yield a recovery to Creditors that is greater and more certain than the return that could be achieved through the DEBTOR'S PLAN OF REORGANIZATION (DATED DECEMBER 9, 2013)"

<sup>4</sup> "In sum, Creditors can either vote to accept the Plan and receive payment in full on their Claims or vote to reject the Plan and possibly receive nothing."

<sup>5</sup> Official Committee Of Unsecured Creditors' Plan Of Reorganization (Dated December 17, 2013)(the "OCC Plan").

1  
2 **B. Challenged Statements And Necessary Cross-References**

3 2. TPL requests that the following section be added as Article II immediately  
4 following Article I of the Disclosure Statement to give creditors who read the OCC Disclosure  
5 Statement the ability to identify allegations therein that TPL challenges as untrue and cross  
6 reference them with TPL’s filings before this Court:

7 “ARTICLE II.

8 STATEMENTS CHALLENGED BY TPL.

9 TPL strongly disagrees with a number of the statements in this Disclosure  
10 Statement and the accusations of fraudulent and inappropriate conduct by TPL  
11 and its management contained herein. You should read this Disclosure Statement  
12 with the TPL Disclosure Statement to enable you to make a more thorough  
13 evaluation of both TPL’s position and the OCC’s position. The following is a list  
14 some of statements in this Committee Disclosure Statement with which TPL  
15 disagrees and cross references to pages and lines in the TPL Disclosure  
16 Statement<sup>6</sup> (“TPL DS”), TPL’s Opposition to Motion to Appoint Trustee<sup>7</sup> (“TPL  
17 OPP”) which is attached to the TPL DS, as well as the December, 2012 Statement  
18 of Decision of the Santa Clara County Superior Court”), also attached to the TPL  
19 DS.

Statement in OCC Disclosure Statement	Page and line in OCC Disclosure Statement	Reference(s) to Responsive Filing(s) by TPL
...“the inherent conflicts existing as a result of common ownership of a “vendor” of services charging premium prices to the Debtor...”	3:26-28	This is a reference to Alliacense. The relationship between TPL and Alliacense is discussed in the TPL DS at Section VI.B (pp 68-72) and the TPL OPP at page 13, line 18, through page 14, line 24. The reference to “premium prices” is addressed in TPL

23  
24 <sup>6</sup> Disclosure Statement Re: TPL Plan Of Reorganization (December 23, 2013).

25 <sup>7</sup> TPL’S Opposition To Motion Of Creditors’ Committee For Orders (1) Directing The  
26 Appointment Of A Chapter 11 Trustee; And (2) Directing The Debtor And Daniel E. Leckrone  
27 To Appear And Show Cause Why They Should Not Be Held In Contempt For Violation Of This  
28 Court’s Order .

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

		<p>OPP in the declaration of TPL CFO Dwayne Hannah in Paragraph 6 on Page 3, with Exhibit E attached showing Alliacense rates. These topics are also addressed in Section III.B of the SOD.</p>
<p>“Debtor’s business strategy included a scheme pursuant to which the Debtor improperly diverted assets to entities owned by Dan Leckrone, including the patent portfolios, entered into agreements with other entities owned by Dan Leckrone, most notably Alliacense Limited, LLC, pursuant to which the Debtor paid enormous sums of money to perform services that TPL was required to provide, thus resulting in double profits to Leckrone-owned entities at the expense of TPL creditors and improperly assumed alleged employee incentive agreements of Alliacense employees. In other words, the Debtor has transferred all of its valuable assets to Leckrone-owned entities while retaining all of the liabilities.”</p>	<p>4:1-8</p>	<p>Intellectual property acquisition and related entities are discussed in the TPL DS in Section VI.A.3 (pp 55 – 67).</p> <p>The claims that TPL “improperly diverted assets” and paid “enormous sums of money” are addressed in the SOD, Section III.B (pp 3-5) and the TPL OPP at page 15, line 17 through page 16, line 17. The incentive compensation agreements are discussed in the TPL DS in Section VI.C. (pp 72-73).</p> <p>The claim that TPL “has transferred all of its valuable assets to Leckrone-owned entities” is addressed in the SOD, Section III.B (pp 3-5).</p>
<p>“TPL is only a nominal plaintiff in the non-MMP litigation and has “contracted” with Alliacense to provide these services. TPL has outsourced virtually all of its operations to Alliacense.”</p>	<p>6:14-16</p>	<p>Non-MMP litigation is discussed in the TPL DS in Section II.B.3 and II.B.4 (pp 18-20).</p> <p>The relationship with Alliacense and the services it provides is discussed in the TPL DS in Section VI.B (pp 68-72).</p> <p>The business of TPL is</p>

		discussed in the TPL DS in Section II (pp 11-20).
“... the Debtor has violated the Settlement Protocol Order by entering into settlements and licenses without the approval of the Committee or an order of the Court.”	8:13-14	TPL’s compliance with the court’s order is addressed in the TPL OPP at page 4, lines 4-14 and from page 5, line 4 to page 11, line 18.
“The Insider Employee Compensation Claims are based on agreements, either written or “oral” with Alliacense, not TPL.”	10:25-26	The incentive compensation agreements are discussed in the TPL DS in Section VI.C. (pp 72-73) and in the TPL OPP at page 15, lines 1-16.
“All of the amounts due under the agreements are calculated based on revenues received by Alliacense, not TPL. Some are so-called “oral” agreements entered as long ago as 2006. All of these Claims were improperly assumed by TPL.”	11:1-4	The incentive compensation agreements are discussed in the TPL DS in Section VI.C. (pp 72-73) and in the TPL OPP at page 15, lines 1-16.
“...the agreements were never fully executed, that \$3.2 million was distributed to Mr. Leckrone as payments under these contracts, that the Debtor’s accounting records do not validate receipt of the consideration supposedly provided, and that the agreements were dated January 3, 2003 but the grants of assignment attached evidence of patents that were not issued.” until July 2003. The Committee believes that these facts suggest that the Insider 13% Claims arose from a scheme to divert cash from TPL while allowing a cash reserve to be held by Mr. Leckrone rather than the Debtor.”	11:18-25	This refers to the “Insider 13% Claims,” which are based on agreements with Mr. Leckrone’s 3 adult children and are discussed in the TPL DS in Section III.D (pp 29-31) and in the SOD in Section III.C (p.5), as well as the TPL OPP at page 15, lines 1-16.

**C. Explanation of Replacement of Alliacense As Service Provider**

3. The OCC Disclosure Statement states that “[a] significant part of the success of the Plan will be the cost-reduction benefits realized by the anticipated elimination of Alliacense as a service provider and licensing agent for the MMP and non-MMP Portfolios.” OCC Disclosure Statement, 45:24-26. TPL asks that, immediately following this sentence, the OCC

1  
2 be directed to disclose what entity or entities the OCC has to replace Alliacense, a description of  
3 such entity's licensing expertise, at what rates, and to provide the dates on which quotes for  
4 services were made to the OCC. If such information has not yet been obtained by the  
5 Committee, TPL asks that the OCC state that it does not yet have a suggested replacement.

6           Wherefore, TPL respectfully requests that the OCC Disclosure Statement be approved  
7 with only the deletions set forth in paragraph 1 of this Objection, the insertion set forth in  
8 paragraph 2 hereof, and the explanation requested in paragraph 3.

9 Dated: January 17, 2014

BINDER & MALTER, LLP

10  
11 By: /s/ Robert G. Harris  
12 Attorneys for Debtor and  
13 Debtor-in-Possession Technology  
14 Properties Limited  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27