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The following constitutes  
the order of the court. Signed April 21, 2014

Stephen L. Johnson  
U.S. Bankruptcy Judge

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

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

14 In re:  
15  
16 TECHNOLOGY PROPERTIES LIMITED,  
17 LLC, a California limited liability company,  
18 Debtor.

Case No.: 13- 51589SLJ  
Chapter 11  
Date: April 17, 2014  
Time: 11:30  
Place: Courtroom 3099  
280 South First Street  
San Jose, California

22 **ORDER GRANTING TPL'S THIRD MOTION TO APPROVE USE OF CASH**  
23 **COLLATERAL (FRBP 4001(b)) AND SETTING FURTHER HEARING**

24 TPL's Third Motion to Approve Use of Cash Collateral (FRBP 4001(b)) (the "Motion")  
25 came on for hearing on April 17, 2013. Wendy W. Smith of Binder & Malter, LLP appeared for  
26 debtor and debtor in possession Technology Properties Limited, LLC ("TPL"). Other appearances  
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2 were noted on the record. Secured creditor Swami Venkidu filed a written objection to the motion  
3 but did not appear at the hearing.

4 Based upon the evidence, pleadings, and arguments of counsel, good cause appearing  
5 therefor, the Court hereby GRANTS the Motion as follows:

6 IT IS THEREFORE ORDERED THAT

7 1. The objection filed on behalf of Mr. Venkidu is overruled.

8 2. TPL is authorized to expend a maximum of \$128,000 of cash collateral for operations for  
9 the period of March 1, 2014 through and including April 30, 2014, according to the Budget For  
10 Technology Properties Limited attached as Exhibit "A" to the supporting Declaration of Daniel E.  
11 Leckrone in Support of Third Motion To Approve Use Of Cash Collateral (FRBP 4001(b))(the  
12 "TPL Projections"), subject to the following paragraphs.

13 3. TPL is not authorized by this Order to pay any employee for commissions or incentive  
14 compensation.

15 4. TPL has paid CCC adequate protection of \$50,000 for the month of March from cash  
16 collateral. CCC has extended the due dates for the payments for April and May 2014 to June 1,  
17 2014, by which date, TPL will pay CCC \$150,000 for the adequate payments for the months of  
18 April, May and June.

19 5. TPL shall not pay Daniel E. Leckrone any adequate protection payment pending further  
20 order of this Court.

21 6. All three secured creditors, CCC, Venkidu, and Mr. Leckrone, are granted a replacement  
22 lien on collateral with a back-up super-priority claim to the extent that adequate protection proves  
23 inadequate measured by a decline from liquidation value of their collateral as of the filing date. The  
24 replacement liens shall attach only to the collateral of the kind and character to which the respective  
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2 lienholders' lien would have attached pre-petition, and there shall be no cross-collateralization with  
3 other collateral except as specified below as to Venkidu. These replacement liens are subordinate to  
4 the compensation and expense reimbursement allowed to any future-appointed trustee in the case,  
5 and are subject to the Estate's rights to recover adequate protection payments should Venkidu's pre-  
6 petition lien be avoided, subordinated or determined to be invalid. Venkidu will receive a  
7 replacement lien as to the CF portfolio and a back-up super-priority claim as set forth in paragraph 7  
8 below.

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

20  
21 8. To the extent TPL uses proceeds from the CF portfolio to fund operations Venkidu receives  
22 a junior replacement lien in the MMP and FastLogic portfolio proceeds as further adequate  
23 protection only to the same extent, validity and priority of Venkidu's lien in the CF portfolio. Thus,  
24 to the extent Venkidu is not paid from the CF portfolio, he will have a junior lien on these other  
25 portfolios. However, if Venkidu's pre-petition lien in the CF portfolio is avoided or is determined  
26 to be invalid, then there is no replacement lien in the MMP and FastLogic portfolios and shall be  
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2 deemed avoided and vacated as of the date of this Order, and no superpriority claim shall be  
3 allowed. And, if the value of the CF collateral is less than the amount of Venkidu's allowed,  
4 secured claim, the replacement lien in the MMP and FastLogic portfolios is valid only to the extent  
5 of the value of the collateral.

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

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11 10. CCC, Venkidu and Leckrone have agreed to fund a carve-out from their collateral and  
12 proceeds thereof ("Cash Collateral") for the fees and expenses of the Committee's professionals  
13 (the "Committee Carve-Out"). Pursuant to this agreement, TPL shall pay to Dorsey & Whitney the  
14 Committee Carve-Out from proceeds of CCC's, Leckrone's and Venkidu's Cash Collateral, if any,  
15 after the payment of budgeted expenses approved under paragraph 1 of this Order, as a carve out  
16 and post-petition retainer for Committee professionals as follows:

- 17  
18 a. \$50,000 per month for the Committee Carve-Out effective October, 2013 through  
19 April, 2014 from the proceeds of the MMP and CF portfolios, subject to the  
20 availability of funds net of budgeted expenses. The Committee carve-out is to be  
21 funded at the rate of \$25,000 each month from each of the portfolios but, subject to  
22 availability of funds, TPL is authorized to vary the source as between MMP,  
23 FastLogic and CF from month to month to ensure a monthly payment of the full  
24 \$50,000. The Committee carve-out shall be deposited in Dorsey & Whitney's trust  
25 account.

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- 2 b. The Committee may use the carve outs / retainers to investigate the validity, extent,
- 3 priority and/or enforceability of all alleged liens, but may not use the cash collateral
- 4 of a particular secured creditor to fund lien avoidance litigation against such creditor.
- 5
- 6 c. CCC, Venkidu and Leckrone have agreed to fund a further carve-out from Cash
- 7 Collateral for the fees and expenses of all non-Committee professionals (the “Non-
- 8 Committee Carve-Out”). Pursuant to this agreement, TPL shall pay \$50,000 per
- 9 month for the Non-Committee Carve-Out effective October, 2013 through April 30,
- 10 2014, from the proceeds of the MMP and CF portfolios, subject to the availability of
- 11 funds net of budgeted expenses, including the Committee Carve-Out, as set forth on
- 12 the TPL Projections and as modified by this Order, for TPL’s professionals on such
- 13 schedule as TPL determines is appropriate. This carve-out shall be deposited into a
- 14 separate, segregated trust account held by TPL’s reorganization counsel pending
- 15 further order of the Court.
- 16
- 17 d. The balance of the proceeds from any MMP, CF, or Fastlogic recovery, net of
- 18 expenses paid under the TPL Projections and funding of the Non-Committee Carve-
- 19 Out, will be sequestered by TPL in separate DIP bank accounts pending further order
- 20 of the Court.
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22 11. The Committee reserves all rights including, but not limited to, the right to investigate and

23 challenge (a) the validity, extent, priority and/or enforceability of all alleged liens (including

24 motions to equitably subordinate and adversary proceedings to avoid liens, subject to paragraph

25 10(b) of this Order); (b) employee compensation, (c) payments to Alliacense, (d) the adequacy of

26 proposed budgets, and (e) the adequacy of proposed carve outs / retainers for Committee

27 professionals.

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2 12. To the extent that recoveries in litigation and licensing results in larger payments being  
3 owed to contingency counsel according to the terms of their court-approved terms of employment  
4 than TPL has projected, the approved contingency shall control, subject to final approval by this  
5 Court under 11 U.S.C. section 328(a).  
6

7 13. The terms of the order approving cash use are binding on any subsequently appointed trustee.

8 14. As a condition of consent by Venkidu to the cash use, Daniel E. Leckrone shall continue to  
9 subordinate his lien to that of Venkidu in the CF portfolio.  
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11 15. There shall be a carve out for the fees and expenses of a Chapter 7 trustee and his or her  
12 professionals from the collateral of Leckrone, Venkidu, and CCC in the event that this case is  
13 converted to a Chapter 7 liquidation.  
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16 **APPROVED AS TO FORM:**

17 DORSEY & WHITNEY LLP

18 By: /s/ Robert A. Franklin  
19 Robert A. Franklin

20 Attorneys for the Official Unsecured Creditors' Committee

21 \*\*\*\*\* END OF ORDER \*\*\*\*\*  
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COURT SERVICE LIST

None required.