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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
fka TECHNOLOGY PROPERTIES LIMITED)
14 **INC., A CALIFORNIA CORPORATION,**) Chapter 11
fka TECHNOLOGY PROPERTIES LIMITED,)
15 **A CALIFORNIA CORPORATION,**) Date: TBD
16 Debtor.) Time: TBD
17) Place: United States Bankruptcy Court
280 S. First Street, Room 3099
San Jose, CA 95113
18 Judge: Honorable Stephen L. Johnson

19 **DECLARATION OF CARLTON JOHNSON, JR. IN SUPPORT OF MOTION OF**
CREDITORS' COMMITTEE FOR ORDERS: (1) APPOINTING A CHAPTER 11
20 **TRUSTEE; AND (2) DIRECTING DANIEL E. LECKRONE TO APPEAR AND SHOW CAUSE**
WHY HE SHOULD NOT BE HELD IN CONTEMPT FOR VIOLATION OF THIS COURT'S ORDER

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22 I, Carlton Johnson, Jr., hereby declare:

23 1. I am an attorney at law duly licensed to practice in Florida, Alabama and Georgia. I
24 am competent to and would testify to all matters set forth in this Declaration if called upon to do so
25 as a witness.

26 2. This Declaration is filed in support of the MOTION OF CREDITORS' COMMITTEE FOR
27 ORDERS: (1) APPOINTING A CHAPTER 11 TRUSTEE; AND (2) DIRECTING DANIEL E. LECKRONE TO
28 APPEAR AND SHOW CAUSE WHY HE SHOULD NOT BE HELD IN CONTEMPT FOR VIOLATION OF THIS

1 COURT'S ORDER (the "Order").

2 3. I have been a member of the Board of Directors of Patriot Scientific Corporation
3 ("Patriot") since 2000. Patriot is a publicly traded company. In addition, I have been Patriot's
4 designee on the Phoenix Data Solutions ("PDS") Management Committee.

5 4. PDS is a Delaware limited liability company formed in 2005 in connection with the
6 formation of a joint venture of Patriot and Technology Properties Limited ("TPL") at that time. Its
7 two 50% members at all times have been Patriot and TPL. Together PDS, Patriot and TPL have
8 pursued the Moore Patent Portfolio ("MMP") patent licensing program. PDS was managed from
9 2005-2010 by a three member Management Committee consisting of a TPL appointee, a Patriot
10 appointee, and a third independent member, Robert Neilson.

11 5. Between June of 2005 and July of 2012, the licensing program was conducted by
12 TPL under a Commercialization Agreement ("TPL ComAg"). In general terms, that TPL ComAg
13 provided for TPL to receive 15% of patent licensing revenues as a licensing fee and to be reimbursed
14 for certain expenses of the program. In 2006 or so, the licensing efforts were being performed by
15 people working for "Alliacense" which appeared to be a division of TPL. I do not know when or if
16 Alliacense became a separate company in its own right. Daniel E. ("Dan") Leckrone has indicated
17 to me on numerous occasions that he is the sole owner of both TPL and Alliacense.

18 6. In 2009 and 2010, Dan Leckrone indicated to me that TPL was having serious
19 financial problems. During that period Patriot made several loans to TPL, including to allow it to
20 meet the payroll needs of its division or related entity, Alliacense. One of these loans by Patriot was
21 secured as against an installment of a receivable from Harman Kardon, an MMP licensee, that paid
22 for its license in two installments. When the second installment was paid, Patriot was to be repaid its
23 loan to TPL of \$950,000.

24 7. In 2010 Patriot and TPL had disagreements over conflicts caused by TPL
25 simultaneously writing MMP licenses and writing licensees with companies to license TPL's other
26 patent portfolios. At the time these disagreements surfaced, Robert Neilson resigned from the PDS
27 Management Committee. These disagreements resulted in litigation between Patriot and TPL in
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1 Santa Clara Superior Court in which we alleged TPL was breaching fiduciary duties by
2 simultaneously licensing its own patent portfolios at the expense of the MMP program. That case
3 settled in 2010 and created the receivable from TPL to Patriot that forms the basis of Patriot's
4 creditor's claim in this matter. Meanwhile, PDS has been managed since that time by Dan Leckrone
5 and me as the TPL and Patriot appointees, respectively, on the PDS Management Committee.

6 8. Meanwhile, the Harman security agreement documents provided Patriot authority to
7 repay itself out of PDS when that licensing revenue came in. When the receivable arrived at PDS, I
8 obtained an opinion from outside counsel that I could appropriately pay Patriot out of the PDS bank
9 account, and I did so. I did not consult Dan Leckrone at that time because he was demanding more
10 funds be loaned to TPL and Patriot did not want to do that. Dan Leckrone then disputed my
11 authority to make this payment and contended that I had "misappropriated" the funds from PDS.
12 His claim in that regard was released when our 2010 litigation settlement occurred.

13 9. On October 14, 2013, Dan Leckrone threatened me by indicating he was going to
14 report me to the U.S. Trustee for having wired the Harmon funds out of PDS to Patriot if we did not
15 cooperate in achieving a successful TPL reorganization. In that conversation he also threatened to
16 report fellow Patriot Board Member Gloria Felcyn for "insider trading." His message was clear that
17 he expected Patriot to be a pro-TPL influence on decisions by the Creditor's Committee.

18 10. In July 2012, the TPL ComAg relationship was changed by an agreement of the
19 parties that TPL would step back from being the licensing company and would oversee only PDS's
20 MMP litigation. At that time Alliacense contracted directly with PDS to perform MMP licensing
21 and litigation support.

22 11. The relationship with Alliacense has been very strained during 2013. We have a
23 disagreement over whether TPL or Alliacense is due a licensing fee on an installment of a license
24 written before July 2012 when Alliacense began to directly contract with PDS. Our position is that
25 TPL did the work and earned the fee. Alliacense has been threatening to sue PDS and "others" over
26 this issue unless it is paid. Dan Leckrone has insisted to me that PDS pay this fee.

27 12. Beginning in September 2013, several of us at Patriot have had questions and
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1 concerns about Alliacense's billings for certain litigation support matters. In connection with the
2 dispute with Alliacense, I have asked Dan Leckrone to abstain since he is its sole owner. He has
3 refused. Instead, he has made several threats of litigation over Alliacense not being paid. I have
4 pointed out his conflict but he has done nothing to remedy the conflict.

5 13. In addition, in connection with assessing Alliacense's performance, I have asked Dan
6 Leckrone to abstain. He has declined to respond. I have also asked Dan Leckrone on several
7 occasions to confer with me about appointing a third member of the PDS management committee so
8 that we can have the benefit of a tie-breaker vote because of his conflicts. The PDS Operating
9 Agreement has provisions for that but he has ignored them. This has resulted in the current dynamic
10 where PDS cannot make decisions unless he and I agree on them. I believe that PDS cannot pursue
11 decisions in its best interests unless Dan Leckrone goes along with them, but he consistently places
12 Alliacense's interests ahead of PDS's or TPL's interests in our communications.

13 14. I was present for the trial *HTC v. TPL, et al.*, in September–October 2013 in this
14 District Court concerning our claims that HTC infringed on the '336 patent of the MMP portfolio. I
15 heard Dan Leckrone testify that in the 2010 time frame TPL gave discounts to licensees who would
16 simultaneously license MMP patents with TPL's other, wholly-owned patent portfolios and that
17 discounts were given because of TPL's difficult financial condition. Patriot never authorized those
18 actions.

19 I declare under penalty of perjury under the laws of the State of California and of the United
20 States that the foregoing is true and correct and that this Declaration was executed on December 16,
21 2013 in Atlanta, Georgia.

22 /s/ Carlton Johnson, Jr.
23 Carlton Johnson, Jr.