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TABLE OF EXHIBITS

Exhibit "A" Projections
Exhibit "B" Liquidation Analysis

1 **ARTICLE I.**

2 **INTRODUCTION.**

3 This Disclosure Statement (the “Disclosure Statement”) has been prepared by the Official
4 Committee of Unsecured Creditors (the “Committee”) of the bankruptcy estate of Technology
5 Properties Limited, LLC (the “Debtor” or “TPL”). This Disclosure Statement is provided in
6 connection with the solicitation of acceptances of the OFFICIAL COMMITTEE OF UNSECURED
7 CREDITORS’ PLAN OF REORGANIZATION (DATED DECEMBER 17, 2013) (the “Plan”). The purpose of
8 the Disclosure Statement is to provide adequate information of a kind, and in sufficient detail, as far
9 as is reasonably practicable in light of the nature and history of the Debtor and the condition of the
10 Debtor’s books and records, that would enable a hypothetical reasonable investor typical of holders
11 of Claims¹ and Interests to make an informed judgment about the Plan. An acceptance or rejection
12 of the Plan must be in writing and may only be made by completing the Ballot that accompanies the
13 Plan. In order for your vote to be counted, it must be received no later than _____. See Article
14 XVI below for additional voting instructions.

15 This Disclosure Statement includes, among other things, a brief history of the Debtor, a
16 summary of its Bankruptcy Case, a description of the Claims against and Interests in the Debtor, a
17 summary of the Plan, a discussion of the Plan’s feasibility and a liquidation analysis setting forth
18 what holders of a Claim against or Interest in the Debtor would recover if the Debtor was
19 immediately liquidated under Chapter 7 of the Bankruptcy Code.

20 **UPON BANKRUPTCY COURT APPROVAL OF THE PLAN, THE PLAN WILL BE**
21 **BINDING ON ALL CREDITORS AND INTEREST HOLDERS. THEREFORE, IT IS**
22 **IMPORTANT THAT CREDITORS AND INTEREST HOLDERS READ AND CAREFULLY**
23 **CONSIDER THIS DISCLOSURE STATEMENT AND THE PLAN.**

24 The Committee requests that you vote promptly for the Plan upon carefully reviewing the
25 accompanying materials. The Committee believes that the restructuring contemplated by the Plan
26 will yield a recovery to Creditors that is greater and more certain than the return that could be
27 achieved through the DEBTOR’S PLAN OF REORGANIZATION (DATED DECEMBER 9, 2013) (the
28 _____

¹ Terms not defined herein shall have the meaning ascribed to them in the Plan.

1 “Debtor’s Plan”) or a liquidation under Chapter 7 of the Bankruptcy Code.²

2 If you have any questions regarding the procedures for voting, or any questions concerning
3 your treatment under the Plan, please contact the Committee’s bankruptcy counsel whose contact
4 information is provided at the top of the first page of this Disclosure Statement.

5 The Committee reserves the right to amend, modify, or supplement the Plan at any time
6 before confirmation (approval) of the Plan, provided that such amendments or modifications do not
7 materially alter the treatment of, or Distributions to, Creditors and the Interest holder under the Plan.

8 **THIS DISCLOSURE STATEMENT CONTAINS INFORMATION CONCERNING
9 YOUR CLAIMS OR INTERESTS. PLEASE READ THIS DOCUMENT WITH CARE. FOR
10 THE CONVENIENCE OF CREDITORS AND INTEREST HOLDERS, THIS DISCLOSURE
11 STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF
12 CONTROLS OVER THIS SUMMARY. IF ANY INCONSISTENCIES EXIST BETWEEN
13 THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE
14 CONTROLLING.**

15 **THE FINANCIAL INFORMATION CONTAINED HEREIN, UNLESS OTHERWISE
16 INDICATED, IS UNAUDITED. IN ADDITION, BECAUSE OF THE DEBTOR’S
17 FINANCIAL DIFFICULTIES AND BECAUSE THE PROPONENT OF THE PLAN IS THE
18 COMMITTEE RATHER THAN THE DEBTOR, THE INFORMATION CONTAINED
19 HEREIN MAY BE INCOMPLETE OR INACCURATE. FOR THE FOREGOING
20 REASONS, THE COMMITTEE AND ITS PROFESSIONALS ARE UNABLE TO
21 WARRANT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY
22 INACCURACY. HOWEVER, GREAT EFFORT HAS BEEN MADE TO ENSURE THAT
23 ALL SUCH INFORMATION IS FAIRLY PRESENTED.**

24 **THE PROFESSIONALS REPRESENTING THE COMMITTEE HAVE RELIED ON
25 INFORMATION PROVIDED BY THE DEBTOR IN CONNECTION WITH THE
26 PREPARATION OF THIS DISCLOSURE STATEMENT AND HAVE NOT
27 INDEPENDENTLY VERIFIED THE FACTUAL INFORMATION CONTAINED HEREIN.
28 THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED
AS LEGAL, BUSINESS OR TAX ADVICE. YOU SHOULD CONSULT WITH YOUR OWN
LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND RELATED
MATTERS CONCERNING YOUR CLAIMS OR INTERESTS.**

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR
DISAPPROVED THIS DISCLOSURE STATEMENT, OR DETERMINED IF IT IS
TRUTHFUL OR COMPLETE.**

ARTICLE II.

DEFINITIONS.

All capitalized terms used but not defined herein, but defined in the Plan, have the meaning given in the Plan. If a term is not defined herein or in the Plan, but is defined in the Bankruptcy

² In connection with the Debtor’s Plan, the Debtor has filed the DISCLOSURE STATEMENT RE: TPL PLAN OF REORGANIZATION (DECEMBER 9, 2013) (the “Debtor’s Disclosure Statement”).

1 Code, such term has the meaning given to that term in the Bankruptcy Code unless the context of the
2 Disclosure Statement clearly requires otherwise. References to a code section are references to the
3 Bankruptcy Code, except as otherwise stated.

4 ARTICLE III.

5 **OVERVIEW OF CHAPTER 11 AND PLAN.**

6 **A. The Chapter 11 Process.**

7 The filing of a Chapter 11 bankruptcy petition creates a bankruptcy “estate” comprised of all
8 of the property interests of the debtor. Unless a trustee is appointed by the Bankruptcy Court (no
9 trustee has been appointed in this Bankruptcy Case), a debtor remains in possession and control of
10 all of its assets as a “debtor in possession.” The debtor may continue to operate its business in the
11 ordinary course without Bankruptcy Court approval. The filing of the bankruptcy petition operates
12 as an “automatic stay” which, generally, enjoins creditors from taking any action to collect or
13 recover obligations owed by a debtor prior to the commencement of a Chapter 11 case. The
14 Bankruptcy Court can, however, grant relief from the automatic stay under certain specified
15 conditions or for cause.

16 A Chapter 11 debtor has a period of time following the commencement of the case in which
17 only it may propose a plan providing for the liquidation and administration of the assets of the
18 bankruptcy estate or for the reorganization of the debtor’s financial affairs and eventual emergence
19 from bankruptcy (the “Exclusivity Period”). A plan may either be consensual or non-consensual and
20 provide, among other things, for the treatment of the claims of creditors and interests of equity
21 holders.

22 The Committee and the Debtor have engaged in discussions and negotiations to reach
23 agreement on a consensual plan since the beginning of the case. On December 5, 2013, the
24 Bankruptcy Court, at the request of the Committee, terminated the Exclusivity Period, allowing the
25 Committee to propose and file its own Plan. As will be seen below, the Committee believes, among
26 other things, that due to TPL’s continuing losses, the mismanagement of its business, and the
27 inherent conflicts existing as a result of common ownership of a “vendor” of services charging
28 premium prices to the Debtor, current management must be replaced in order to repay creditors.

1 The Committee also believes that the Debtor's business strategy included a scheme pursuant
2 to which the Debtor improperly diverted assets to entities owned by Dan Leckrone, including the
3 patent portfolios, entered into agreements with other entities owned by Dan Leckrone, most notably
4 Alliacense Limited, LLC, pursuant to which the Debtor paid enormous sums of money to perform
5 services that TPL was required to provide, thus resulting in double profits to Leckrone-owned
6 entities at the expense of TPL creditors and improperly assumed alleged employee incentive
7 agreements of Alliacense employees. In other words, the Debtor has transferred all of its valuable
8 assets to Leckrone-owned entities while retaining all of the liabilities. This Disclosure Statement
9 and the accompanying Plan constitute the Committee's proposal to effect a reorganization of the
10 Debtor's financial affairs and to satisfy, discharge and/or cancel the Claims asserted against the
11 Debtor, in accordance with the relevant provisions of the Bankruptcy Code.

12 **B. Creditors to Be Paid in Full Pursuant to Plan.**

13 The Plan provides for payment in full, with interest, to Creditors holding Allowed Claims
14 over a period not to exceed five years (subject to an extension of six months upon Board approval,
15 and subject to further extension upon Bankruptcy Court approval). Distributions to most Creditors
16 will occur quarterly, commencing after the expiration of a full calendar quarter following the
17 Effective Date (i.e., the first Distribution will not occur earlier than ninety (90) days following the
18 Effective Date).

19 **C. Overview of the Plan.**

20 A copy of the Plan accompanies this Disclosure Statement. The following summary of the
21 material provisions of the Plan is qualified in its entirety by the specific provisions of the Plan,
22 including the Plan's definitions of certain terms used below. The following is intended only to
23 provide a general description of the Plan. For more specific information concerning the Plan, refer
24 to the Plan.

25 *In sum, Creditors can either vote to accept the Plan and receive payment in full on their*
26 *Claims or vote to reject the Plan and possibly receive nothing. Please carefully consider these*
27 *alternatives. The Committee believes the recoveries under the Plan will far exceed recoveries in a*
28 *Chapter 7 case and urges all Creditors to vote for the Plan.*

1 and works to license the technology to them. The Debtor's Disclosure Statement dated December 9,
2 2013 explains that "TPL is in contract with Alliacense Limited LLC ("Alliacense"), a related entity,
3 as its vendor or to provide TPL with the needed technical expertise in marketing services." Prior to
4 2007, Alliacense was part of the "TPL Group". On April 17, 2007, first in Delaware and then in
5 California on March 19, 2008, Alliacense was formed as a separate LLC with Dan Leckrone as its
6 sole member.

7 The third component is to prosecute litigation against infringing companies that refuse to
8 license patented technology. According to the Debtor, this aspect of the business became necessary
9 beginning in approximately 2011 because of changes in management styles in the industry and new
10 legislation. The Debtor claims that TPL is currently litigating extensive claims involving the MMP
11 Portfolio, the Core Flash Portfolio, and the Fast Logic Portfolio against over 30 major corporations.
12 Complaints have been filed in the US International Trade Commission ("ITC"), the United States
13 District Court for the Eastern District of Texas, the District of Delaware, and the Northern District of
14 California. In actuality, TPL is only a nominal plaintiff in the non-MMP litigation and has
15 "contracted" with Alliacense to provide these services. TPL has outsourced virtually all of its
16 operations to Alliacense.

17 **2. Events Precipitating the Bankruptcy Filing.**

18 The Debtor's Disclosure Statement asserts that TPL's slide into bankruptcy arose from
19 "TPL's cash flow and liquidity [having] suffered over the past five years for two primary reasons,
20 the first resulting from a change in the intellectual property business environment, and the second as
21 a result of the failed business strategy of IntellaSys". The bankruptcy filing was precipitated by the
22 immediate threat of the entry of the Browns' Judgment of \$10 million constituting the Browns
23 Claim.

24 **B. Summary of Events During The Bankruptcy Case.**

25 **1. Commencement of the Bankruptcy Case.**

26 On March 20, 2013 (the "Petition Date"), the Debtor filed its Voluntary Petition under
27 Chapter 11 of the Bankruptcy Code. Presently, the Debtor is operating as a debtor in possession
28 pursuant to the provisions of Sections 1107 and 1108 of the Bankruptcy Code. The Debtor's counsel

1 is as follows:

2 Heinz Binder
3 Robert G. Harris
4 Binder & Malter, LLP
5 2775 Park Avenue
6 Santa Clara, CA 95050

7 **2. Official Unsecured Creditors' Committee.**

8 The Committee was appointed in the Bankruptcy Case on June 17, 2010 and consists of the
9 following members: Chester A. Brown, Jr. and Marcie Brown, Patriot Scientific Corp., Beresford &
10 Co., the Former Chipscale Shareholders, Farella Braun & Martel, LLP, the Estate of James
11 Kirkendall and Dr. Zlatan Ribic GmbH.

12 The Committee's counsel is as follows:

13 John Walshe Murray
14 Dorsey & Whitney LLP
15 305 Lytton Avenue
16 Palo Alto, CA 95014

17 **3. Appointment of Responsible Person.**

18 The Local Rules require in business cases that an individual be designated by the Court as the
19 natural person to act on behalf of the business in the bankruptcy case. Pursuant to an order entered
20 by the Bankruptcy Court on March 25, 2013, Daniel E. Leckrone, the sole member of the Debtor,
21 was appointed the Responsible Person in the Bankruptcy Case.

22 **4. Retention of Professionals.**

23 During the Bankruptcy Case, the Debtor has employed Binder & Malter, LLP, as its general
24 bankruptcy counsel to assist it in its reorganization efforts. In addition, pursuant to the Debtor's
25 motions, the Court appointed the following professionals: Agility IP Law, LLP, the Simon Law
26 Firm, P.S., Bragalone Conroy, PC, Farnan LLP, Ropers Majeski Kohn & Bentley, Adelson, Hess &
27 Kelly APS, and Henneman & Associates, all as its special counsel, and Fulop Business Tax
28 Services, as its accountant.

29 The Committee has employed Dorsey & Whitney LLP as its counsel during the Bankruptcy
30 Case.

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5. Allowance of Fees of Court-Appointed Professionals.

To date, there have been no applications filed for the allowance of fees of the Court-appointed professionals.

6. Use of Cash Collateral.

Since the Petition Date, the Debtor has been authorized to use cash collateral.

7. Bankruptcy Administration Matters.

The Debtor has brought and has agreed to various motions for relief from stay to allow it to continue to prosecute and defend certain litigation matters.

After a contested hearing, the Debtor and the Committee agreed on a protocol for the Debtor to seek the consent of a subcommittee of the Committee (the "Settlement Committee") to enter into any settlements with infringers or agreements to license the Patent Portfolios. This protocol is reflected in the Court's Order on Motion Regarding Settlement Procedures (the "Settlement Protocol Order") entered on May 7, 2013. As set forth below, 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. Assets.

TPL has listed in its Schedules a value for its assets of \$4,429,183.31; however, this total excludes claims, rights, and general intangibles the value of which TPL contends is presently impossible to estimate precisely. Assuming that TPL's various patent portfolios can be fully commercialized through licensing programs for clients and infringement suits against violators over time, TPL has contended that its assets are worth well in excess of \$100 million

9. Liabilities.

TPL lists in Schedules D, E, and F, respectively, secured claims totaling \$9,700,896, unsecured priority claims totaling \$8,972,356.03, and general unsecured claims totaling \$49,936,736.33.

C. Secured Claims.

1. CCC

CCC and TPL entered into an agreement in March of 2012 (the "Settlement Agreement") to

1 settle a lawsuit arising from TPL's lease of the property located at 20400 Stevens Creek Boulevard
2 in Cupertino California. (*Cupertino City Center Buildings v. Technology Properties Limited LLC*,
3 Superior Court of California, County of Santa Clara Case No. 110-CV-186192). Under the
4 Settlement Agreement, TPL promised to pay CCC a total of \$1.3 million in installments at \$50,000
5 per month over time. This promise was secured by a continuing security interest in TPL's share of
6 the proceeds of the following of certain portfolios. CCC claims to have perfected its security interest
7 by filing a UCC-1 with the California Secretary of State on February 27, 2012.

8 **2. Venkidu.**

9 Mr. Venkidu, TPL and other parties entered into a security agreement in April 2006 (the
10 "Venkidu Security Agreement"), which related to a multi-party transaction including TPL and
11 resulted in TPL obtaining certain rights with respect to a group of patents known variously as the
12 "CORE Flash Portfolio" or the MCM Patent Portfolio .

13 Under the Venkidu Security Agreement, Mr. Venkidu was granted a security interest in the
14 CORE Flash Portfolio. Mr. Venkidu recorded UCC-1 financing statements with the California
15 Secretary of State of California and claims thereby to have perfected his security interests in the
16 CORE Flash Portfolio and proceeds therefrom. Financing Statements were recorded in 2006 and,
17 following expiration, again on April 12, 2012. During the Bankruptcy Case, the Court approved the
18 granting of a security interest in the MMP Portfolio as additional adequate protection of his pre-
19 petition security interest.

20 As of the date of commencement of this case, the debt claimed owing to Mr. Venkidu was
21 approximately \$5.2 million. The Committee believes that no security interest attached to any asset of
22 the Debtor given that no consideration was given by TPL in exchange for the grant of a security
23 interest. Further, the Committee believes that the obligation is that of Mr. Leckrone, as primary
24 obligor under the OnSpec Merger Agreement, and that TPL is only the guarantor of Mr. Venkidu's
25 claim against Mr. Leckrone. The Committee believes that these facts, among others, may constitute
26 grounds on which to challenge the validity, priority and amount of this security interest.

27 **3. Daniel E. Leckrone**

28 Mr. Leckrone claims to have loaned in excess of \$3.8 million to TPL over the last 3 years.

1 The initial loan of \$1 million was allegedly made in 2010. At that time the parties executed a
2 security agreement that covered the current loan and any further loans of Mr. Leckrone to TPL. The
3 security agreement granted a security interest in all of TPL's property, including all intellectual
4 property and inchoate rights.

5 Mr. Leckrone claims to have perfected his security interest with the filing of a UCC-1 with
6 the California Secretary of State on April 14, 2010. Mr. Leckrone subsequently subordinated his
7 security interest to that of CCC.

8 **4. Lien Priority**

9 TPL believes that CCC holds the first priority secured lien position on the collateral securing
10 its lien, owing to Mr. Leckrone's subordination and Mr. Venkidu's break in perfection in 2012. TPL
11 believes that Mr. Leckrone is the second priority lienholder on all assets against which CCC holds a
12 lien and first priority against all other TPL assets. TPL believes that Mr. Venkidu is the third
13 priority lienholder on assets against which he holds a lien.

14 **D. The Debtor's Unsecured Debts.**

15 TPL lists in Schedules D, E, and F, respectively, secured claims totaling \$9,700,896,
16 unsecured priority claims totaling \$8,972,356.03, and general unsecured claims totaling
17 \$49,936,736.33.

18 Based on its preliminary review of general Unsecured Claims filed against the Debtor, the
19 Committee has identified several instances, some of which are noted below, where the asserted
20 Claim varies materially from the amount the Committee believes is owing. To the extent such
21 creditors do not agree to amend their Claims or the parties do not reach a resolution regarding such
22 Claims otherwise, the Committee has or intends to object to the asserted Claims prior to the Claims
23 Objection Deadline.

24 **E. Insider Employee Compensation Claims.**

25 The Insider Employee Compensation Claims are based on agreements, either written or
26 "oral" with Alliacense, not TPL. If these two companies are separate as the Debtor claims, the
27 Insider Employee Compensation Claims should not exist as liabilities against the Debtor. There are
28 also numerous anomalies associated with these Claims. Several Claims are from holders who are

1 not employees of TPL but instead are employees of Alliacense. All of the amounts due under the
2 agreements are calculated based on revenues received by Alliacense, not TPL. Some are so-called
3 “oral” agreements entered as long ago as 2006. All of these Claims were improperly assumed by
4 TPL. The Committee believes these Claims are invalid as against TPL and are Disputed Claims.

5 **F. The “13%” Claims.**

6 On or about August 4, 2003, TPL entered into an agreement with Chester A. Brown, Jr. and
7 Marcie Brown pursuant to which TPL assigned a 3.5% interest in gross proceeds received by TPL
8 from commercialization of two portfolios. TPL breached this agreement by failing to turnover
9 proceeds in accordance with the agreement. The Browns obtained a judgment against TPL for
10 approximately \$10 million (the “Browns Claim”). In early 2004, similar agreements were entered
11 into with James Kirkendall, Allen Marsh and Todd Kirkendall whom have filed Claims totaling over
12 \$1 million (collectively the “Kirkendall Claims”). The Committee Plan proposes to approve these
13 Claims with the treatment afforded herein provided that they are subordinated to Claims of
14 unsecured creditors.

15 TPL also claims to have entered into similar agreements with Dan Leckrone’s three adult
16 children who have filed Claims in excess of \$24 million in the Bankruptcy Case (the “Insider 13%
17 Claims”). As is the case with the Insider Employee Compensation Claims, there are numerous
18 anomalies with these agreements, including the facts that the agreements were never fully executed,
19 that \$3.2 million was distributed to Mr. Leckrone as payments under these contracts, that the
20 Debtor’s accounting records do not validate receipt of the consideration supposedly provided, and
21 that the agreements were dated January 3, 2003 but the grants of assignment attached evidence of
22 patents that were not issued until July 2003. The Committee believes that these facts suggest that the
23 Insider 13% Claims arose from a scheme to divert cash from TPL while allowing a cash reserve to
24 be held by Mr. Leckrone rather than the Debtor. As a result, the Committee believes that the Insider
25 13% Claims are not valid. The Committee Plan proposes to approve these Claims with the treatment
26 afforded herein provided that they are subordinated to Claims of unsecured creditors.

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1 **ARTICLE V.**

2 **CLAIMS AND EQUITY INTERESTS AND TREATMENT UNDER THE PLAN.**

3 The Claims against and Interests in the Debtor, and their treatment under the Plan are
4 summarized below.

5 **A. Administrative Claims.**

6 **1. Description.**

7 Administrative Claims, generally, are claims that arise during the pendency of a Chapter 11
8 case and are entitled to priority in payment, pursuant to Section 507(a)(2) of the Bankruptcy Code.
9 These include Claims for: (a) any actual and necessary costs and expenses of preserving the
10 Bankruptcy Estate incurred on or after the Petition Date and through and including the Effective
11 Date, (b) any cure amounts that must be paid in connection with the assumption of any executory
12 contract or unexpired lease of the Debtor under Section 365 of the Bankruptcy Code, (c) fees due to
13 the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6), and (d) compensation for legal or other
14 services and reimbursement of expenses allowed by the Bankruptcy Court under Sections 330 and
15 331 of the Bankruptcy Code or otherwise.

16 **2. Administrative Claims – Estimate.**

17 The Debtor anticipates that the majority of Administrative Claims that will remain unpaid as
18 of the Effective Date will be the fees of the Debtor’s Professionals and the Committee’s
19 Professionals. The Debtor indicates that its other Administrative Claims include expenses entitled to
20 priority as administrative expenses under section 507(a) of the Bankruptcy Code.

21 The Debtor’s Monthly Operating Report for the month ending October 2013 indicates that
22 the accrued, unpaid fees and expenses for the Debtor’s Professionals and the Committee’s
23 Professionals through October 31, 2013 total \$1,826,597, with another \$200,000 forecasted for
24 November 2013. It also indicates another \$14,795 for “Other Professional Fees” and “\$401,725” for
25 “Patent Prosecution/Maintenance” among other expenses.³

26 Additional fees and expenses will be incurred by some or all of these Professionals after the

27 ³ The Debtor’s Disclosure Statement for the Debtor’s Plan estimated unpaid Professional Fees as of September
28 2013, at \$1.2 million, without including fees of its patent litigation counsel.

1 dates indicated. All Professional fees through the Effective Date are subject to Court approval after
2 a hearing on notice to creditors. These amounts are expected to be paid on or about the Effective
3 Date.

4 Administrative Claims may also include a small amount of current expenses incurred in the
5 ordinary course of the Debtor's operations which will remain unpaid on the Effective Date. The
6 Reorganized Company will pay these expenses in the ordinary course of its business.

7 **3. Administrative Claims – Treatment.**

8 Except to the extent that the holder of a particular Administrative Claim has agreed to a
9 different treatment of such Claim, each holder of an Allowed Administrative Claim shall be paid in
10 cash, in full upon the later of: (a) the Effective Date; (b) if such Claim is initially a Disputed Claim,
11 if and when it becomes an Allowed Administrative Claim; and (c) if such Claim is incurred after the
12 Petition Date in the ordinary course of the Debtor's business, within such time as payment is due
13 pursuant to the terms giving rise to such Claim or as otherwise authorized by the Bankruptcy Court.

14 **4. Administrative Claims – Deadline for Requests for Payment.**

15 Any request for allowance of an Administrative Claim, other than Professional Fee Claims,
16 must be filed on or before the Administrative Claims Bar Date. If the holder of an Administrative
17 Claim does not file and serve a request for payment of such Claim on or before the Administrative
18 Claims Bar Date, the holder shall be forever barred from asserting such Claim or receiving any
19 payment on account of such Claim. Any objection to the allowance of an Administrative Claim
20 (excluding any Professional Fee Claims) shall be filed no later than the Administrative Claims
21 Objection Deadline. If no objection to the applicable Administrative Claim is filed on or before that
22 date, such Administrative Claim shall be deemed Allowed as of that date. The foregoing is in full
23 and final satisfaction of all Administrative Claims.

24 **B. Professional Fee Claims.**

25 **1. Description.**

26 Professional Fee Claims are Administrative Claims for the compensation and reimbursement
27 of expenses asserted by a Professional employed in the Bankruptcy Case pursuant to Section 327
28 and 1103 of the Bankruptcy Code or an expense reimbursement claim by a Committee member, and

1 incurred by such Professional or Committee member (to the extent Allowed under Section 328, 330,
2 331, or 503 of the Bankruptcy Code) through the Effective Date.

3 **2. Professional Fee Claims – Treatment.**

4 All final requests for payment of Professional Fee Claims must be filed with the Bankruptcy
5 Court and served on Reorganized Company, the Committee, the United States Trustee and other
6 parties as designated by the Bankruptcy Court or applicable rules no later than forty (40) days after
7 the Effective Date. After notice and a hearing in accordance with the procedures established by the
8 Bankruptcy Code and prior orders of the Bankruptcy Court in the Bankruptcy Case, if any, the
9 Allowed Amounts of such Professional Fee Claims will be determined by the Bankruptcy Court and,
10 once Allowed pursuant to entry of an order by the Bankruptcy Court, will be promptly paid by the
11 Reorganized Company. Objections to Professional Fee Claims must be filed and served on the
12 Reorganized Company and its counsel, if any, the Committee and its counsel, and the requesting
13 party no later than seven (7) days prior to the hearing on the applications for compensation by the
14 Professionals.

15 **C. Priority Tax Claims.**

16 **1. Description**

17 Priority Tax Claims are pre-petition Unsecured Claims by governmental units entitled to
18 priority under Section 507(a)(8) of the Bankruptcy Code. Proof of Claim number 5 filed by the
19 Franchise Tax Board in the amount of \$800.00 is the only Priority Tax Claim filed in the Bankruptcy
20 Case.

21 **2. Treatment.**

22 Except to the extent that the holder of a particular Priority Tax Claim has agreed to a
23 different treatment of such Claim, each holder of an Allowed Priority Tax Claim shall be paid in
24 cash, in full upon the later of: (a) the Effective Date; and (b) if such Claim is initially a Disputed
25 Claim, if and when it becomes an Allowed Priority Tax Claim. The foregoing is in full and final
26 satisfaction of all Priority Tax Claims.

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D. Priority Claims

1. Description (Class 1 Under the Plan).

Class 1 consists of Claims entitled to priority pursuant to Sections 507(a)(1) through (a)(7) of the Bankruptcy Code, with the exception of any Administrative Claims. The Committee believes that Class 1 is comprised of certain Claims of employees for unpaid PTO and wages, including Claims asserted by Persons who are also holders of Insider Employee Compensation Claims. The Committee estimates the asserted aggregate amount of Priority Claims at over \$137,000.

2. Treatment.

Except to the extent that the holder of a particular Allowed Priority Claim has agreed to a less favorable treatment of such Claim, each holder of an Allowed Priority Claim shall be paid in cash, in full upon the later of: (a) the Effective Date; or (b) if such Claim is initially a Disputed Claim, when and if it becomes an Allowed Claim. The foregoing is in full and final satisfaction of all Class 1 Claims. To the extent the holder of an Allowed Priority Claim also holds an Allowed Claim in excess of the amount of its Allowed Priority Claim, such excess shall be treated as an Unsecured Claim in Class 6A or Class 6B, as applicable.

CLASS 1 IS UNIMPAIRED, AND THE HOLDER OF ALLOWED CLAIMS IN CLASS 1 IS CONCLUSIVELY PRESUMED, PURSUANT TO SECTION 1126(F) OF THE BANKRUPTCY CODE, TO HAVE ACCEPTED THE PLAN.

E. CCC.

1. Description (Class 2 Under the Plan).

Class 2 consists of the CCC Claim.

2. Treatment

Pursuant to Section 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, CCC shall retain all valid and perfected liens, security interests and other encumbrances affecting property of the Debtor or the Reorganized Company granted in favor of CCC prior to the Effective Date, including those granted in the Cash Collateral Order, with respect to the CCC Claim to the extent of the Allowed Secured Claim of CCC.

CCC shall receive on account of its Class 2 Allowed Secured Claim payment in full with

1 interest at the 5% interest rate set forth in that certain STIPULATION REGARDING USE OF CASH
2 COLLATERAL (CUPERTINO CITY CENTER) attached to the CCC Claim. Payment on account of the
3 Allowed Secured Claim of CCC shall occur in in four equal payments over four months after the
4 Effective Date. Upon full treatment of the Allowed CCC Claim accorded in this Class 2, all liens,
5 security interests and other encumbrances affecting property of the Debtor or the Reorganized
6 Company granted in favor of CCC shall automatically be extinguished and terminated.

7 The foregoing is in full and final satisfaction of all Class 2 Claims.

8 CLASS 2 IS UNIMPAIRED, AND THE HOLDER OF ALLOWED CLAIMS IN CLASS 2
9 IS CONCLUSIVELY PRESUMED, PURSUANT TO SECTION 1126(F) OF THE BANKRUPTCY
10 CODE, TO HAVE ACCEPTED THE PLAN.

11 **F. Daniel E. Leckrone.**

12 **1. Description (Class 3 Under the Plan).**

13 Class 3 consists of the Leckrone Claim.

14 **2. Treatment.**

15 Unless otherwise provided by order of the Bankruptcy Court, pursuant to Section
16 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, Leckrone shall retain all
17 valid and perfected liens, security interests and other encumbrances affecting property of the Debtor
18 or the Reorganized Company granted in favor of Leckrone prior to the Effective Date, including
19 those in granted in the Cash Collateral Order, with respect to the Leckrone Claim to the extent of the
20 Secured Claim of Leckrone is an Allowed Claim.

21 The Class 3 Leckrone Claim is deemed a Disputed Claim by the Plan. Within 30 days of the
22 Effective Date, the Reorganized Company or the Committee shall file an objection to the Leckrone
23 Claim and/or commence an adversary proceeding to avoid, recharacterize and/or to subordinate such
24 Secured Claim.

25 After payment in full of the Allowed Secured CCC Claim in Class 2, the Reorganized
26 Company shall fund the Leckrone Claim Set Aside in the Disputed Reserve Account up to its full
27 amount from the Quarterly Payment; provided, however, that the Reorganized Company may, after
28 consultation with and obtaining written consent from the Board, fund the Leckrone Claim Set Aside

1 on a more frequent schedule (i.e., more often than once during each calendar quarter) if the
2 Reorganized Company in its business judgment, believes that such funding shall not impair or affect
3 the Reorganized Company's ability to satisfy its obligations under the Plan. The Leckrone Set Aside
4 shall accrue and remain until there is a Final Order determining the amount of the Allowed Leckrone
5 Claim; provided, however, that the Bankruptcy Court shall have the power to reduce the amount of
6 the Leckrone Claim Set Aside upon motion of any party in interest. When a Final Order is entered
7 determining the amount of the Allowed Leckrone Claim, the Leckrone Claim Set Aside shall be used
8 for payment of the Allowed Leckrone Claim, and the Leckrone Claim Set Aside shall be terminated.
9 To the extent there are funds in the Leckrone Claim Set Aside in excess of the Allowed Amount of
10 the Leckrone Claim, such excess funds shall be returned to the Claims Trust Account for the funding
11 of the next Quarterly Payment.

12 Subject to the immediately foregoing two paragraphs, Leckrone shall receive on account of
13 his Class 3 Allowed Secured Claim payment in full with interest as follows: Leckrone will receive
14 payment from the Leckrone Set Aside to the extent of the Allowed Amount of the Leckrone Claim,
15 which Allowed Amount shall include interest as agreed on between the Committee, Leckrone and
16 the Debtor, or as otherwise determined by the Bankruptcy Court. To the extent that the Allowed
17 Amount of the Leckrone Claim exceeds the amount of funds in the Leckrone Set Aside at the time of
18 final determination of such Allowed Amount, Leckrone shall then receive quarterly payments from
19 the Quarterly Payment until the Allowed Leckrone Claim has been paid in full; provided, however,
20 that the Reorganized Company may, after consultation with and obtaining written consent from, the
21 Board, make Distributions to Leckrone on a more frequent schedule (i.e., more often than once
22 during each calendar quarter) if the Reorganized Company in its reasonable business judgment,
23 believes that such funding will not impair or affect the Reorganized Company's ability to satisfy its
24 obligations under the Plan. Upon full treatment of the Allowed Leckrone Claim accorded in this
25 Class 3, all liens, security interests and other encumbrances affecting property of the Debtor or the
26 Reorganized Company granted in favor of Leckrone shall automatically be extinguished and
27 terminated.

28 The foregoing is in full and final satisfaction of all Class 3 Claims.

1 CLASS 3 IS IMPAIRED, AND THE HOLDER OF ALLOWED CLAIMS IN CLASS 3 IS
2 ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

3 **G. Venkidu.**

4 **1. Description (Class 4 under the Plan).**

5 Class 4 consists of the Venkidu Claim.

6 **2. Venkidu Claim – Treatment.**

7 Unless otherwise provided by order of the Bankruptcy Court, pursuant to Section
8 1129(b)(2)(A)(i) of the Bankruptcy Code and the Cash Collateral Order, Venkidu shall retain all
9 valid and perfected liens, security interests and other encumbrances affecting property of the Debtor
10 or the Reorganized Company granted in favor of Venkidu prior to the Effective Date, including
11 those in granted in the Cash Collateral Order, with respect to the Venkidu Claim to the extent of the
12 Secured Claim of Venkidu is an Allowed Claim.

13 After payment in full, or reservation for, the Allowed Secured Claims in Class 2 and Class 3,
14 Venkidu shall receive on account of his Class 4 Allowed Secured Claim, 65% of the Quarterly
15 Payment from the Claims Trust Account, until the Allowed Secured Venkidu Claim has been paid in
16 full together with 7% simple interest per annum. By voting in favor of the Plan, Venkidu consents
17 explicitly to the payment of the 35% of the Quarterly Payment to general unsecured Class 6A
18 creditors before he has been paid in full. As a condition to voting in favor of the Plan, Venkidu shall
19 receive a release of all claims against the Venkidu Claim, including any claims to challenge the
20 extent, validity and priority, or to seek subordination of, such Claim. The foregoing is in full and
21 final satisfaction of all Class 4 Claims.

22 CLASS 4 IS IMPAIRED, AND THE HOLDER OF ALLOWED CLAIMS IN CLASS 4 IS
23 ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

24 **H. Administrative Convenience Claims.**

25 **1. Description (Class 5 Under the Plan).**

26 Class 5 consists of Timely Filed Unsecured Claims of \$5,000.00 or less whose holders elect
27 on their Ballot to accept treatment pursuant to Class 5 under the Plan, and Timely Filed Unsecured
28 Claims of greater than \$5,000.00 whose holders elect on their Ballot to accept treatment pursuant to

1 Class 5 under the Plan and agree to reduce their respective Allowed Claims to \$5,000.00.

2 A preliminary review of the Debtor's Schedules and the filed Claims in the Bankruptcy Case
3 indicate that the total number of Claims in the amount of \$5,000.00 or less is 12, and the aggregate
4 amount of such Claims is approximately \$29,000.00.

5 **2. Administrative Convenience Claims – Treatment**

6 On the Effective Date, each holder of a Class 5 Allowed Administrative Convenience Claim
7 shall receive directly from the Reorganized Company a single cash payment in the amount its
8 Allowed Claim, not to exceed \$5,000.00, which payment shall be in full and final satisfaction of
9 each respective Class 5 Claim. If at the time Distributions are made to Class 5, a holder of a Class 5
10 Claim is a Disputed Claim, payment on the Claim shall be deferred until such time and to the extent
11 such Disputed Claim is Allowed.

12 CLASS 5 IS IMPAIRED, AND THE HOLDERS OF ALLOWED CLAIMS IN CLASS 5
13 ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

14 **I. General Unsecured Claims, Together With 50% of Each of the Non-Insider 13%
15 Claims.**

16 **1. Description (Class 6A under the Plan).**

17 Class 6A consists of general Unsecured Claims not included or provided for in any other
18 Class, including all Rejection Claims and all Unsecured Claims of vendors and trade Creditors for
19 goods delivered or services provided to the Debtor prior to the Petition Date. Class 6A also consists
20 of 50% of each of the Non-Insider 13% Claims.

21 The total amount of general Unsecured Claims listed in the Debtor's Schedules is
22 approximately \$50 million. The total amount of general Unsecured Claims filed by the Claims Bar
23 Date is approximately \$70 million, although this amount includes duplicate Claims and Claims
24 which the Committee believes are either invalid or overstated (see discussion at Sections IV-D, IV-E
25 and IV-F above). The Committee believes the total amount of Allowed Unsecured Claims in Class
26 6A will, after all objections have been resolved, approximate \$8 million.

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1 2. **General Unsecured Claims, Together With 50% of Each of the Non-**
2 **Insider 13% Claims - Treatment.**

3 Holders of Class 6A Allowed Claims shall receive payment in full over time as follows:
4 Holders of Allowed 6A Claims will receive quarterly *pro rata* (together with holders of Allowed 6B
5 Claims subject to the treatment accorded in Class 6 below) payments of (i) 35% of the Quarterly
6 Payment until Allowed Claims in Class 2 and Class 3 have been paid, or reserved for, in full and (ii)
7 100% of the Quarterly Payment following the payment in full of, or reservation for, the Allowed
8 Claims in Class 1, Class 2, Class 3, Class 4, and Class 5, in accordance with the Schedule set forth at
9 Section VII-F-4 of the Plan. Holders of Class 6A Allowed Claims shall receive interest on their
10 claims from the Petition Date calculated at three percent *per annum* or such other rate as the
11 Bankruptcy Court may direct. The foregoing is in full and final satisfaction of all Class 6A Claims.

12 **J. Class 6B (Insider Employee Compensation Claims).**

13 1. **Description (Class 6B under the Plan).**

14 Class 7 consists of Unsecured Claims whose holders expressly elect treatment under Class 7
15 on their Ballots.

16 2. **Insider Employee Compensation Claims - Treatment.**

17 The Class 6B Insider Employee Compensation Claims are each deemed a Disputed Claim by
18 the Plan. Unless a resolution is reached with the holder of a particular Insider Employee
19 Compensation Claim or unless a determination is otherwise made, subject to the terms of the Plan,
20 that a particular Insider Employee Compensation Claim should not be disputed, in which instance
21 such Insider Employee Compensation Claim shall be classified and accorded treatment in Class 6A,
22 before the Claims Objection Deadline, the Reorganized Company or the Committee shall file an
23 objection to each of the Insider Employee Compensation Claims and/or commence an adversary
24 proceeding to avoid, recharacterize and/or to subordinate such Insider Employee Compensation
25 Claim.

26 Holders of Class 6B Allowed Claims shall receive payment in full over time as follows: the
27 Reorganized Company shall fund the Insider Employee Compensation Claims Set Aside in the
28 Disputed Reserve Account from quarterly *pro rata* (together with payments to holders of Allowed

1 6A Claims) payments of (i) 35% of the Quarterly Payment until Allowed Claims in Class 2 and
2 Class 3 have been paid, or reserved for, in full and (ii) 100% of the Quarterly Payment following the
3 payment in full of, or reservation for, the Allowed Claims in Class 1, Class 2, Class 3, Class 4, and
4 Class 5, in accordance with the Schedule set forth at Section VII-F-4 of the Plan. Holders of Class
5 6B Allowed Claims shall receive interest on their Claims from the Petition Date calculated at five
6 percent *per annum* or such other rate as the Bankruptcy Court may direct.

7 The Insider Employee Compensation Claims Set Aside shall be funded up to the aggregate
8 amounts of such Claims with interest pursuant to the Plan, and shall accrue and remain until and to
9 the extent there is a Final Order determining the Allowed Amount of a particular Insider Employee
10 Claim; provided, however, that the Bankruptcy Court shall have the power to reduce the amount of
11 the Insider Employee Claim Set Aside upon motion of any party in interest. When a Final Order is
12 entered determining the amount of a particular Allowed Insider Employee Compensation Claim, the
13 Insider Employee Compensation Claim Set Aside shall be used for payment of such Allowed Insider
14 Employee Compensation Claim with the treatment accorded in Class 6A, and the Insider Employee
15 Compensation Claim Set Aside shall be reduced accordingly until such time as all Insider Employee
16 Compensation Claims are paid their full Allowed Amounts, plus interest. To the extent there remain
17 funds in the Insider Employee Compensation Claim Set Aside after payment of all Allowed
18 Amounts of the Insider Employee Compensation Claims, such excess funds shall be returned to the
19 Claims Trust Account for the funding of the next Quarterly Payment. The foregoing is in full and
20 final satisfaction of all Class 6B Claims.

21 CLASSES 6A AND 6B ARE IMPAIRED, AND THE HOLDERS OF ALLOWED CLAIMS
22 IN CLASSES 6A and 6B ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

23 **K. Class 7A (50% of Non-Insider 13% Claims).**

24 **1. Description (Class 7A under the Plan).**

25 Class 7A consists of 50% of each of all Non-Insider 13% Claims.

26 **2. Non-Insider 13% Claims - Treatment.**

27 Holders of Class 7A Allowed Claims shall receive payment in full over time as follows:

28 Holders of Allowed 7A Claims shall, if they vote to accept the Plan, be deemed Allowed in an

1 amount equal to 20% of their Claims, and following the payment in full of, or reservation for,
2 Allowed Claims in Class 1, Class 2, Class 3, Class 4, Class 5, and Class 6, shall receive *pro rata*
3 (together with holders of Allowed 7B Claims) Distributions of 100% of the Quarterly Payment, up to
4 the full Allowed Amounts, together with interest at five percent *per annum* or such other rate as the
5 Bankruptcy Court may direct, in accordance with the timing and schedule set forth at Section VII-F-
6 4 of the Plan.

7 If Holders of Claims in Class 7A do not vote to accept the Plan, then each holder of Claims
8 in Class 7A shall be accorded treatment in Class 6A, subject to any Insider 13% Claim in Class 7A
9 being deemed a Disputed Claim. The foregoing is in full and final satisfaction of all Class 7A
10 Claims.

11 **L. Class 7B (Insider 13% Claims).**

12 **1. Description (Class 7B under the Plan).**

13 Class 7B consists of all Insider 13% Claims.

14 **2. Insider 13% Claims - Treatment.**

15 Holders of Class 7B Allowed Claims shall receive payment in full over time as follows:
16 Holders of Class 7B Claims shall, if they vote to accept the Plan, be deemed Allowed in an amount
17 equal to 20% of their Claims, and following the payment in full with interest of, or reservation for,
18 Allowed Claims in Class 1, Class 2, Class 3, Class 4, Class 5, and Class 6, shall receive *pro rata*
19 (together with holders of Allowed 7A Claims) Distributions of 100% of the Quarterly Payment, up
20 to the full Allowed Amounts, together with interest at three percent *per annum* or such other rate as
21 the Bankruptcy Court may direct, in accordance with the timing and schedule set forth at Section
22 VII-F-4 of the Plan.

23 If Holders of Claims in Class 7B do not vote to accept the Plan, then each holder of Claims in
24 Class 7B shall be accorded treatment in Class 7A; provided, however, that each Insider 13% Claim
25 in Class 7B shall be deemed a Disputed Claim under the Plan and shall not receive Distributions
26 under the Plan until entry of a Final Order determining the Allowed Amount of each particular
27 Insider 13% Claim.

28 The foregoing is in full and final satisfaction of all Class 7B Claims.

1 CLASSES 7A AND 7B ARE IMPAIRED, AND THE HOLDERS OF ALLOWED CLAIMS
2 IN CLASSES 7A and 7B ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

3 **M. Class 8 (Interests).**

4 **1. Description (Class 8 under the Plan).**

5 Class 8 includes all Interests. Daniel Leckrone is the sole holder of an Interest in the Debtor
6 and therefore is the sole member of Class 8.

7 **2. Interests – Treatment.**

8 On the Effective Date, all Interests in TPL, and all rights and powers which relate to, arise
9 from and are received and granted therefrom, shall be transferred to the Creditor Trust Trustee. At
10 such time as Allowed Claims in Classes 1, 3, 4, 5, 6 and 7 are paid in full, the Creditor Trust Trustee
11 shall, upon consultation with and after obtaining written approval from the Board, transfer all
12 Interests back to the Interest Holder.

13 The Interest Holder shall, upon the Effective Date, lose all rights to control the management
14 and governance of the Debtor and such rights shall become vested in the Manager, subject to the
15 terms of the Plan. The foregoing is in full and final satisfaction of all Class 8 Interests.

16 CLASS 8 IS IMPAIRED, AND THE HOLDER OF INTERESTS IN CLASS 8 IS
17 ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN.

18 **ARTICLE VI.**

19 **IMPLEMENTATION OF THE PLAN.**

20 **A. Business Operations and Expenses of the Reorganized Company.**

21 Under new management, the Reorganized Company will continue TPL's business operations
22 including TPL's existing licensing and litigation activities and coordinating MMP activities with
23 PDS.

24 The Reorganized Company shall reduce its annual operating budget for employee salaries,
25 overhead, and all operating expenses to no greater than \$1,000,000 until such time as holders of
26 Allowed Claims in Classes 1, 2, 4, 5, 6 and 7A are paid in full. The Reorganized Company shall be
27 permitted to establish the WCR, which shall be funded by withholding from revenue the Quarterly
28 Payment up to \$1,000,000 over no fewer than two full calendar quarters after the date of entry of the

1 Confirmation Order. At any time in which the WCR is reduced from \$1,000,000, the Reorganized
2 Company may replenish the WCR up to \$1,000,000. The Reorganized Company shall not withdraw
3 any funds from the WCR and shall not replenish the WCR without first consulting with and
4 obtaining written approval from the Board, or, absent such approval, an order from the Bankruptcy
5 Court approving such withdrawal or replenishment, as applicable

6 **B. New Management**

7 On the Effective Date, the Board shall be established and appointed. The Board shall be
8 responsible for the management of the Reorganized Company's business and affairs and shall
9 supervise the Manager and other officers. The Board shall oversee and direct the Creditor Trust
10 Trustee in administering the Creditor Trust. The Board shall be authorized and empowered to hire,
11 supervise and, subject to the Notice Procedure, dismiss and replace the Managers without further
12 Bankruptcy Court approval. The Board shall be authorized and empowered to select individuals to
13 fill vacant seats on the PDS Management Committee, including the seat vacated by Leckrone
14 pursuant to the Plan, subject to the applicable terms of the management agreement between TPL,
15 Charles Moore, Patriot and PDS. The Board shall act as a fiduciary of the Reorganized Company
16 and shall have the power and responsibility to approve major company actions, including the
17 settlement of Avoidance Actions and Retained Claims, disposing of major assets or altering the
18 structure of the Reorganized Company. In addition to the supervisory and approval powers and
19 obligations set forth in the Plan, the Board shall also have the power and responsibility to require, in
20 its discretion, require the Manager to obtain Board approval for non-major company actions
21 including, without limitation, entering into any acquisition, licensing, financing, employment,
22 settlement or other contractual arrangement.

23 On the Effective Date, Leckrone shall be terminated as manager and Chairman of TPL, as a
24 member of the PDS Management Committee, and in any other capacity in which he serves any
25 supervisory, managerial, officer or decision making role for TPL, until such time as Allowed Claims
26 in Classes 1, 2, 4, 5, 6 and 7A are paid in full pursuant to the Plan. Subsequent to payment of all
27 Allowed Claims in Classes 1, 2, 4, 5, 6 and 7A in full with interest pursuant to the Plan, Leckrone
28 may be permitted by Bankruptcy Court order, to be restored to any such roles as they existed prior to

1 the Effective Date.

2 On the Effective Date, or as soon as reasonably practicable thereafter, the Board shall appoint
3 the Manager. The Manager, under the supervision of the Board, shall have the duty and power to
4 manage the day-to-day operations of the Reorganized Company. Among other things, the Manager,
5 in consultation with the Board, shall be authorized to evaluate the Reorganized Company's staffing
6 needs, to dismiss any employees, consultants and officers that she/he deems unnecessary in her/his
7 business judgment, and to retain, hire or contract with any employees, consultants she/he deems
8 necessary in her/his business judgment; shall review and evaluate TPL's books and records; shall
9 ensure all expenditures are properly accounted for and "ordinary and necessary" pursuant to
10 generally accepted accounting principles.

11 The Manager shall confer with and obtain written approval from the Board prior to pursuing
12 any new business endeavors and prior to selling, transferring or licensing any TPL assets. The
13 Manager shall also confer with and obtain Board approval prior to pursuing and consummating any
14 other major company actions and any other actions for which the Board, in its discretion, may
15 require approval.

16 The Manager and the Board shall remain in place and in control of the Reorganized
17 Company, with all of the rights powers provided to them under the Plan, until such time as Allowed
18 Claims in Classes 1, 2, 4, 5, 6, and 7A are paid in full with interest under the Plan.

19 **C. Creditor Trust**

20 On the Effective Date, the Reorganized Company shall, in consultation with and after
21 obtaining written approval from the Board, establish the Creditor Trust for the purpose of holding
22 the Interests of the Interest Holder and for holding the Unsecured Claimants' Security Interest for the
23 benefit of holders of Allowed Unsecured Claims, pursuant to the terms of the Plan. The Creditor
24 Trust Trustee shall manage the Creditor Trust and shall act with the care, skill, prudence and
25 diligence under the circumstances then prevailing that a prudent man acting in a like capacity and
26 familiar with such matters would use in the conduct of an enterprise of a like character and with like
27 aims. The Creditor Trust Trustee shall take direction from the Board in administering the Trust.

28 The Reorganized Company shall, in consultation with and after obtaining written approval from the

1 Board, pay reasonable compensation to the Creditor Trust Trustee.

2 **D. Grant of Security Interest for the Benefit of Holders of Allowed Unsecured**
3 **Claims**

4 To secure the Reorganized Company's performance of the Plan, on or before the Effective
5 Date, the Reorganized Company shall execute and file a security agreement and all other necessary
6 documents to effect the grant of the Unsecured Claimants Security Interest to the Creditor Trust
7 Trustee. Among other terms and conditions agreed to by TPL and the Committee, the security
8 agreement shall provide the Creditor Trust Trustee with, in the event of a termination of the Plan
9 (i.e., conversion to Chapter 7) or a breach of the Plan that is not cured pursuant to the cure
10 procedures set forth in Article XV of the Plan the right to sell, foreclose, license, lease, hypothecate
11 and transfer the Reorganized Company's property without need for further Bankruptcy Court order,
12 subject to applicable law.

13 The Unsecured Creditors' Security Interest shall be subordinate to all existing, valid,
14 perfected, unavoidable and unsubordinated liens, and CCC, Venkidu and Leckrone shall retain their
15 respective liens to the same extent and in the same priority existing as of the Effective Date unless
16 otherwise agreed or ordered by the Court, or until such time as their Secured Claims are accorded
17 treatment in full pursuant to the Plan.

18 The Creditor Trust Trustee shall be authorized to file a UCC-1 financing statement or other
19 evidence of the Unsecured Creditors' Security Interest as may be reasonably requested by the Plan
20 Agent. Upon the payment in full with interest under the Plan of all Allowed Claims in Class 6 and
21 7A, the Unsecured Creditors' Security Interest shall be deemed discharged, and the Reorganized
22 Company shall be authorized to file one or more termination statements to evidence extinguishment
23 of the lien.

24 **E. Creditors' Committee**

25 The Committee shall remain in force and effect until such time as all Creditors in Classes 1,
26 2, 3, 4, 5, 6 and 7A have been paid in full pursuant to the Plan.

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F. Distributions.

1. Establishment of Claims Trust Account

On or before the Effective Date, the Reorganized Company shall establish a separate, segregated bank account for the benefit of holders of Allowed Claims, which shall be the Claims Trust Account. The Reorganized Company shall fund the Claims Trust Account with amounts adequate to make all payments due on the Effective Date.

2. Funding of Claims Trust Account

No later than three Business Days after the close of each full calendar quarter following the Effective Date, the Reorganized Company shall deposit the portion of the Quarterly Payment for which it is responsible (i.e., the 20% of Gross Revenue and NOP, but not TPL’s share of distributions from PDS which distributions, if any, shall be deposited directly by PDS into the Claims Trust Account) into the Claims Trust Account; provided, however, that in any quarter in which the deposit of the Quarterly Payment to the Claims Trust Account would, in the Reorganized Company’s reasonable opinion, result in a reduction of the WCR, then, following consultation with and receipt of written approval of the Board as to such said reduction, the Quarterly Payment for that quarter shall be reduced accordingly. Such reduction shall not constitute a default under the Plan provided, however, that the Reorganized Company has deposited the aggregate of 20% of Gross Revenue during each calendar quarter. The Disbursing Agent shall distribute from the Claims Trust Account the sums specified in the Plan on the Distribution Dates specified in the Plan

3. Quarterly Distribution Report

No later than five Business Days after the close of each full calendar quarter following the Effective Date, the Reorganized Company shall deliver the Quarterly Distribution Report to the Board. If the Board objects to payment on account of any particular Claim as proposed on the Quarterly Distribution Report, it shall provide written notification of such objection to the Reorganized Company within three Business Days of receipt of the Quarterly Distribution Report, and no Distributions shall be made on account of such Claim(s) until such time as the Board provides its written consent, or absent such consent, until entry of an order by the Bankruptcy Court. Upon receipt of written consent from the Board or entry of an order by the Bankruptcy Court, the

1 Disbursing Agent shall pay the agreed on or ordered Distribution amount to the holder(s) of such
2 affected Claim(s) as soon as reasonably practicable.

3 **4. Timing of Distributions.**

4 Except as otherwise provided in the Plan, the Disbursing Agent shall pay all Class 1 and
5 Class 5 Allowed Claims on the Effective Date. Failure to pay any Allowed Claim in Class 1 or
6 Class 5 as required under the Plan shall constitute a Plan default unless the Disbursing Agent pays
7 the amount due on account of such Allowed Claim as required under the Plan within thirty days of
8 the Effective Date.

9 Except as otherwise provided in the Plan, the Disbursing Agent shall make Distributions of
10 the Quarterly Payment from the Claims Trust Account no later than the tenth Business Day
11 following the end of each calendar quarter, in the sums specified in the Quarterly Distribution
12 Report.

13 The Reorganized Company shall operate and the Disbursing Agent shall pay Allowed Claims
14 in Classes 6 and 7 in full with interest, according to the terms of the Plan for a period of five years
15 after the Effective Date, or, after consultation with and obtaining written approval from, the Board,
16 an additional period of time not to exceed six months; provided, however, that such period may be
17 extended further by entry of an order by the Bankruptcy Court.

18 **5. Distribution Addresses; Undeliverable Distributions.**

19 Unless a Creditor has provided the Reorganized Company with written notice of a different
20 address, Distributions shall be sent to Creditors at the address set forth in the proofs of Claim filed
21 with the Claims Agent. If no proof of Claim is filed with respect to a particular Claim, the
22 Distribution shall be mailed to the address set forth in the Schedules filed by the Debtor. If any
23 Creditor's Distribution is returned as undeliverable, no further Distributions to such Creditor shall be
24 made unless and until the Reorganized Company is notified of such Creditor's then current address,
25 at which time all required Distributions shall be made to such Creditor. Undeliverable Distributions
26 shall be held by the Disbursing Agent until such Distributions are claimed; provided, however, that
27 all claims for undeliverable Distributions must be made within ninety (90) days following a
28 Distribution. After such date, all unclaimed Distributions will revert to the Reorganized Company

1 and deposited into the Claims Trust Account, and the Claim of any Creditor or successor to such
2 Creditor with respect to such Distribution shall be discharged and forever barred notwithstanding
3 any federal or state escheat laws to the contrary.

4 **6. Withholding Taxes.**

5 Pursuant to Section 346(h) of the Bankruptcy Code, the Disbursing Agent shall deduct any
6 federal, state or local withholding taxes from any Distributions made with respect to Allowed
7 Claims, as appropriate. The Disbursing Agent shall be permitted to withhold a Distribution to any
8 Creditor who has not provided information requested by the Disbursing Agent for the purpose of
9 fulfilling its obligations hereunder. The Disbursing Agent shall comply with all reporting
10 obligations imposed on it by any governmental unit with respect to withholding and related taxes.

11 **7. Fractional Amounts.**

12 Notwithstanding anything contained herein to the contrary, the Reorganized Company shall
13 not be required to make Distributions of fractions of dollars. Whenever any payment of a fraction of
14 a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of
15 such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

16 **8. De Minimis Distributions.**

17 Notwithstanding any other provision of the Plan, Distributions of less than \$50.00 need not
18 be made on account of any Allowed Claim; provided, however, that Distributions that would
19 otherwise be made but for this provision shall carry over to the next Distribution Date until the
20 cumulative amount to which any holder of an Allowed Claim is entitled to is more than \$50.00, at
21 which time the cumulative amount of such Distributions will be paid to such holder.

22 **9. Time Bar to Cash Payments.**

23 Checks issued on account of Allowed Claims shall be null and void if not negotiated within
24 ninety (90) days from the date of issuance thereof. Requests for re-issuance of any check shall be
25 made directly to the Reorganized Company by the holder of the Allowed Claim to whom such
26 check was originally issued. Any request for re-issuance in respect of such voided check shall be
27 made on or before ninety (90) days after the date of the issuance of such check. After such date, all
28 Claims with respect to any voided checks shall be discharged and forever barred, and such funds

1 shall revert to the Reorganized Company and deposited into the Claims Trust Account.

2 **10. Modification of Payment Terms.**

3 At any time after the Effective Date, (a) the Reorganized Company may modify the treatment
4 of any Class of Allowed Claims in a manner that is more favorable than provided by the Plan (e.g.,
5 the Reorganized Company may make more frequent payments to a Class or pay or cause to be paid
6 all Classes sooner than contemplated by the Plan), provided that such treatment does not adversely
7 impact the ability of the Reorganized Company to perform its obligations under the Plan; and (b) the
8 Reorganized Company may modify the treatment of any Allowed Claim in any manner adverse to
9 the holder of such Claim with the prior written consent of the holder whose Allowed Claim is being
10 adversely effected; provided, however, that any such modification shall be approved in writing by
11 the Board. Notwithstanding the foregoing or anything in the Plan to the contrary, until such time as
12 the holders of Allowed Claims in Class 6A and Class 7A, have been paid in full, with interest, as
13 provided by the Plan, the Reorganized Company shall not, under any circumstance, modify or alter
14 the treatment of any Person or Entity in Classes 2, 3, 4, 6B, 7B or 8, in any manner that is more
15 favorable than provided by the Plan.

16 **G. Articles of Organization/Operating Agreement.**

17 After the Effective Date, the Reorganized Company, in consultation with the Board, may
18 amend and restate TPL's articles and operating agreement as permitted by applicable law without
19 further Bankruptcy Court approval, including, among other things and if required, if required,
20 amending such articles and operating agreement as of the Effective Date to comply with the
21 requirements of Section 1123(a)(6) of the Bankruptcy Code which requires the inclusion in the
22 Reorganized Company's charter of a prohibition of the issuance of non-voting securities and
23 requires, among other things, the distribution of voting power equitably among the classes of voting
24 securities.

25 **H. Authority of Reorganized Company.**

26 On and after the Effective Date, the Reorganized Company shall be appointed Estate
27 representative and Disbursing Agent pursuant to the Bankruptcy Code and applicable Bankruptcy
28 Rules. Except as provided below or by the Plan, the Reorganized Company, by and through its

1 Manager and any designee(s) in consultation with and after obtaining written approval from the
2 Board as applicable, shall be responsible for and have authority to: (a) make all Distributions
3 required to be made by the Reorganized Company on or after the Effective Date to holders of
4 Allowed Claims; (b) settle, resolve and object to Claims; (c) commence suit on the Retained Claims,
5 or, in its sole discretion, refer any Retained Claims to the Committee; (d) pay all fees due under 28
6 U.S.C. § 1930; (e) file any post-confirmation reports required by the Plan or the Bankruptcy Court;
7 (f) retain, employ and utilize such Professionals as may be necessary without further approval of the
8 Bankruptcy Court; (g) sell or dispose of assets; (h) abandon property of the Estate that is determined
9 to be burdensome or of inconsequential value; (i) do all things necessary and appropriate to fulfill
10 the duties and obligations of the Reorganized Company under the Plan and to fully administer the
11 Bankruptcy Estate as required by the Plan, the Order of Confirmation, the Bankruptcy Code and the
12 Bankruptcy Rules; and (j) move for the entry of a Final Decree and prepare and file any pleadings as
13 may be required by the Bankruptcy Court in connection with the Final Decree and the closing of the
14 Bankruptcy Case. In addition, on the Effective Date, the Reorganized Company shall be substituted
15 as successor to the Debtor and its Estate in all actions, contested matters and adversary proceedings
16 pending or thereafter commenced in the Bankruptcy Court with respect to Disputed Claims. The
17 Reorganized Company shall have no obligation to pursue any affirmative claims on behalf of the
18 Debtor or its Estate and any such claims may be abandoned or waived at the discretion of the
19 Reorganized Company subject to the approval of the Board, if required.

20 **I. Responsible Person.**

21 Upon the Effective Date, the Manager shall serve as the Responsible Person for the
22 Reorganized Company and shall be fully empowered to execute all documents, agreements and
23 instruments implementing the Plan without further order of the Bankruptcy Court or further action
24 by the managers or member(s) of the Reorganized Company, subject to the terms of the Plan and any
25 other requirements for Board approval as required by the Board. Any such document, agreement or
26 instrument executed and delivered by the Responsible Person shall be conclusively deemed duly
27 executed by the Reorganized Company without need for further corporate action or order of the
28 Bankruptcy Court. After the Effective Date, the Responsible Person shall be entitled to act as the

1 Estate representative for purposes of implementing and administering the Plan without need for
2 further corporate action or order of the Bankruptcy Court.

3 Until the Bankruptcy Case is closed, the Responsible Person may resign at any time, or may
4 be removed for cause upon motion by any party in interest to the Bankruptcy Court on not less than
5 twenty one (21) days' notice to the Notice Parties. In the event the Responsible Person voluntarily
6 resigns prior to the date the Bankruptcy Case is closed, a new Responsible Person will be nominated
7 by the Board with notice to be provided pursuant to the Notice Procedure. If pursuant to a timely
8 filed motion or request for hearing pursuant to the Notice procedure, the Bankruptcy Court enters a
9 Final Order prior to the date the Bankruptcy Case is closed removing the Responsible Person, a new
10 Responsible Person will be appointed by the Bankruptcy Court upon nomination by any party in
11 interest, including the Reorganized Company, following notice to the Notice Parties. If replaced as
12 the Responsible Person, such Person will turnover all of his or her books and records to the new
13 Responsible Person. Any successor Responsible Person shall be entitled to receive reasonable
14 compensation.

15 **J. Disbursing Agent.**

16 The Disbursing Agent for all Distributions shall be the Reorganized Company. The
17 Reorganized Company may appoint a successor Disbursing Agent at any time upon providing fifteen
18 (15) days' notice to the Notice Parties. In the absence of a timely objection by a Notice Party to the
19 proposed Disbursing Agent within such fifteen (15) day period, the Reorganized Company may
20 proceed with the appointment of the proposed Disbursing Agent. Any timely objection to the
21 appointment of a Disbursing Agent shall be set for hearing before the Bankruptcy Court on no less
22 than twenty-one (21) days' notice to the Notice Parties. Any successor Disbursing Agent shall be
23 entitled to receive reasonable compensation. Unless otherwise ordered by the Bankruptcy Court, the
24 Disbursing Agent shall serve without a guaranty or fiduciary bond.

25 **K. Tax Returns, Payments and Refunds.**

26 The Reorganized Company shall file or cause to be filed any and all delinquent and final tax
27 returns and pay any and all taxes owed by the Debtor and the Reorganized Company on a timely
28 basis (other than taxes provided for under the Plan). The Reorganized Company reserves all rights

1 to amend prior tax returns of the Debtor and to pursue and collect all potential tax refunds, to claim
2 losses and to take such other actions to the fullest extent allowed by law to recover value.

3 **L. Employee Benefit Plans.**

4 All Benefit Plans in effect as of the Effective Date shall be continued by the Reorganized
5 Company, subject to the rights of the Reorganized Company to modify its employee Benefit Plans
6 from time to time pursuant to applicable nonbankruptcy law. Any obligations of the Debtor to
7 indemnify any Person serving as a fiduciary of any Benefit Plan of the Debtor, under charter, by-
8 laws, contract or applicable state law is deemed to be an executory contract and assumed as of the
9 Confirmation Date (but subject to the occurrence of the Effective Date) and binding on the
10 Reorganized Company.

11 **M. Further Orders.**

12 Upon motion by the Reorganized Company, the Bankruptcy Court may enter such other and
13 further orders as may be necessary or appropriate to facilitate consummation of the Plan.

14 **N. Post-Confirmation Employment of Personnel.**

15 The Reorganized Company and any Disbursing Agent may employ or contract with Persons
16 and other Entities to perform, or advise and assist them in the performance of, their respective
17 obligations under the Plan. The Reorganized Company, in consultation with and after written
18 approval from the Board, may, but is not required to, continue to employ the Debtor's Professionals
19 for the purposes for which they were employed before the Confirmation Date, and for such
20 additional purposes as the Reorganized Company may request, and the Reorganized Company, in
21 consultation with and after obtaining written approval from the Board, may employ such other
22 Professionals as may be necessary to perform its responsibilities under the Plan.

23 **O. Post-Confirmation Compensation and Reimbursement of Professionals.**

24 The Committee, the Reorganized Company and any Professionals employed by them after
25 the Confirmation Date shall be entitled to payment of their reasonable post-Confirmation Date fees
26 and reimbursement of expenses on a monthly basis, subject to the following:

27 Until the Bankruptcy Case is closed, each party requesting payment of such compensation
28 shall serve a detailed statement of requested fees and expenses on the Notice Parties.

1 Any Notice Party or other party in interest may object to any portion of the requested fees
2 and expenses. Any objection to the payment of fees or reimbursement of expenses shall be in
3 writing (and sufficiently detailed to allow the party whose compensation is subject to the objection
4 an opportunity to respond, and ultimately to allow the Bankruptcy Court to rule on such objection)
5 and served on the Notice Parties and the party whose compensation is subject to the objection. Such
6 an objection must be served within fifteen (15) days after service of the detailed statement.

7 If there is no objection to a party's requested fees and expenses within such fifteen (15) day
8 period, the Reorganized Company shall promptly pay the requested amount in full. If an objection
9 to a portion of the fees or expenses requested is timely served, the Reorganized Company shall
10 promptly pay the undisputed portion of such fees and expenses.

11 To the extent that an objection is timely served, the Responsible Person shall reserve monies
12 in the amount of the disputed fees and expenses pending resolution of said objection.

13 Any objection to a request shall be resolved by either: (a) written agreement between the
14 party requesting such fees and expenses and the objecting party; or (b) resolution of the disputed
15 amount by the Bankruptcy Court pursuant to a Final Order. Resolution by the Bankruptcy Court
16 shall be requested by motion filed and served on the Notice Parties in accordance with the
17 Bankruptcy Rules and the Local Rules on not less than twenty-one (21) days' notice. Such motion
18 may be filed by either the requesting party or the objecting party. Any opposition to the motion shall
19 be filed and served no later than seven (7) days prior to the hearing.

20 The Committee, the Reorganized Company and their Professionals shall not otherwise be
21 required to file applications for Bankruptcy Court approval of post-Confirmation fees and expenses.

22 Following the closing of the Bankruptcy Case, the Professionals of the Committee and the
23 Reorganized Company shall be entitled to payment in the ordinary course upon the submission of an
24 invoice to the Reorganized Company and subject to written approval by the Board; provided,
25 however, that any disputes shall be determined by the Bankruptcy Court upon reopening the
26 Bankruptcy Case.

27 **P. Notice Procedure.**

28 Whenever the Plan requires a Person to provide notice pursuant to the Notice Procedure,

1 such Person seeking the particular relief shall be required to serve a written notice on the Notice
2 Parties. Such Person shall be authorized to take the action proposed to be taken in such notice upon
3 the expiration of the period specified in the Plan for such notice unless, before the expiration of the
4 specified notice period, a recipient Notice Party, or a party in interest, has filed an objection to such
5 proposed action with the Bankruptcy Court and scheduled a hearing on such objection within thirty
6 (30) days after the filing of such objection and upon not less than twenty-one (21) days' notice to all
7 Notice Parties. If any such objection is filed, the Person seeking the particular relief shall not take
8 the proposed action unless the Bankruptcy Court approves such action or the objecting party
9 withdraws the objection. Service by electronic filing pursuant to Local Rule 9013-3 shall be
10 adequate for all notices and other pleadings filed with the Bankruptcy Court.

11 **Q. Post-Confirmation Fees, Reports, and Final Decree.**

12 **1. U.S. Trustee Fees.**

13 Not later than thirty (30) days after the end of each calendar quarter that ends after the
14 Effective Date (including any portion thereof), the Reorganized Company shall pay to the United
15 States Trustee, pursuant to 28 U.S.C. § 1930(a)(6), the quarterly fee for such quarter until the
16 Bankruptcy Case is converted or dismissed, or the Bankruptcy Court enters the Final Decree.

17 **2. Post-Confirmation Reports.**

18 Not later than thirty (30) days after the end of each calendar quarter which ends after the
19 Effective Date, the Reorganized Company shall file a quarterly post-Confirmation status report in
20 substantially the form provided by the United States Trustee and serve a copy of said report on the
21 Plan Agent. Further reports shall be filed thirty (30) days after the end of each calendar quarter
22 thereafter until the entry of the Final Decree, unless otherwise ordered by the Bankruptcy Court.

23 Failure to timely file the required reports may constitute a ground for the bringing of a
24 motion to convert or dismiss the Bankruptcy Case, whichever is in the best interest of the creditors
25 and the estate, pursuant to Section 1112(b) of the Bankruptcy Code.

26 **3. Final Decree.**

27 At such time as all motions, contested matters and adversary proceedings have been finally
28 resolved and the Bankruptcy Case is in a condition to be closed, the Reorganized Company shall file

1 an application for the entry of a Final Decree to close the Bankruptcy Case pursuant to Section 350
2 of the Bankruptcy Code and Rule 3022 of the Bankruptcy Rules. Entry of a Final Decree may be
3 sought by the Reorganized Company notwithstanding that all payments required by the Plan have
4 not been completed provided the Bankruptcy Case is determined by the Bankruptcy Court to be fully
5 administered; provided further, that the Bankruptcy Court retains jurisdiction to hear all matters
6 involving the further administration of the Plan until all holders of Allowed Claims have been paid
7 in full or as otherwise agreed to or provided for under the Plan. The Reorganized Company shall
8 serve the application for entry of a Final Decree on the Notice Parties. Pursuant to Local Rule, such
9 application shall be considered by the Bankruptcy Court without a hearing unless within fourteen
10 (14) days after the date of service of the notice, a party in interest files and serves a request for
11 hearing.

12 **ARTICLE VII.**

13 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

14 **A. Assumption of Executory Contracts and Unexpired Leases**

15 Each of the following executory contracts shall be assumed by the Reorganized Company on
16 the Effective Date to the extent each such contract is executory in nature, and Confirmation of the
17 Plan shall effect such assumption: (1) the TPL/Moore/PTSC/PDS agreement dated January 23, 2013,
18 (2) TPL's Agreements with Thunderbird Technologies, (3) the Marcoux-TPL Settlement Agreement,
19 (4) TPL's GE Copier leases, (5) TPL's Service Agreement with TriNet Acquisition Corporation, and
20 (6) TPL's Plan Service Agreement with Fidelity Management Trust Company.

21 All executory contracts assumed prior to Confirmation or pursuant to the Plan and not
22 otherwise rejected pursuant to the Plan, shall remain in full force and effect, be unimpaired by the
23 Plan except as specifically modified by the Plan and the Confirmation Order, and be binding on the
24 parties thereto.

25 **1. Defaults.**

26 Unless other treatment is agreed to between the parties to each assumed contract or lease, if
27 there has been a default in an assumed executory contract or unexpired lease other than the kind
28 specified in Section 365(b)(2) of the Bankruptcy Code, the Debtor or the Reorganized Company, as

1 applicable, shall, on or before the Effective Date: (a) cure, or provide adequate assurance that it will
2 promptly cure, any such default; (b) compensate, or provide adequate assurance that it will promptly
3 compensate, the other party to such contract or lease, for any actual pecuniary loss to such party
4 resulting from such default; and (c) provide adequate assurance of future performance under such
5 contract or lease.

6 **2. Rejection of Executory Contracts and Unexpired Leases.**

7 Without admitting the validity of any other executory contracts and unexpired leases, the
8 following executory contracts and unexpired leases of the Debtor are hereby rejected by the Debtor
9 as of the Effective Date, and Confirmation of the Plan shall be deemed to constitute Bankruptcy
10 Court approval of such rejection: (a) TPL's Commercialization Agreements with VNS Portfolio
11 LLC, Wafer-Level Packaging Portfolio LLC, SWAT/ACR Portfolio LLC, Multipath Portfolio LLC,
12 Interconnect Portfolio LLC, Online Security Portfolio LLC, Audio Technology Partners LLC, the
13 Peerless Hearing Aid Company, SyberSay Communications Corporation; (b) TPL's Service
14 Agreement with Semiconductor Insights; (c) TPL's Commercialization Agreements for Core Flash,
15 Fast Logic and 3D ART, (d) the PDS/Alliacense July 2012 Services Agreement relating to the
16 MMP Portfolio, (e) the Alliacense Services Agreement, and (f) the Insider Employee Compensation
17 Contracts.

18 **3. Rejection Claims**

19 The holder of a Rejection Claim shall file with the Bankruptcy Court, and serve on counsel
20 for the Reorganized Company, a proof of Claim relative to such Rejection Claim on or before the
21 Rejection Claims Bar Date or be forever barred from asserting any such Claim or receiving any
22 payment or other Distribution on account of such Claim. With respect to any Rejection Claim that is
23 timely filed after Confirmation, the holder of such Rejection Claim may elect treatment in Class 5 of
24 the Plan by filing such election with the Bankruptcy Court with service on the Reorganized
25 Company and its counsel at the addresses provided at Section XIV-J of the Plan no later than the
26 Rejection Claims Bar Date, unless such date is extended by written agreement of the Reorganized
27 Company.

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1 their Professionals (as applicable) shall be entitled to recognize and deal for all purposes with only
2 those claimholders of record stated on the claims docket maintained by the Bankruptcy Court, and if
3 none, on the Debtor's Schedules.

4 **ANY PARTY WHO ACQUIRES A CLAIM AGAINST THE REORGANIZED**
5 **COMPANY THIRTY (30) CALENDAR DAYS OR MORE AFTER THE EFFECTIVE DATE**
6 **MUST ARRANGE WITH THE TRANSFEROR UPON ACQUISITION OF THE CLAIM,**
7 **TO RECEIVE DISTRIBUTIONS TO WHICH THE TRANSFEREE MAY BE ENTITLED.**
8 **NONE OF THE REORGANIZED COMPANY, THE DISBURSING AGENT, OR THE**
9 **COMMITTEE SHALL BE REQUIRED TO TRACK CHANGES IN OWNERSHIP OF**
10 **CLAIMS THIRTY (30) CALENDAR DAYS OR MORE AFTER THE EFFECTIVE DATE.**

11 **C. Amendments to Claims.**

12 Except as provided by the Plan or as otherwise permitted by the Bankruptcy Court, the
13 Bankruptcy Rules or applicable law, proofs of Claim may not be amended later than the applicable
14 Claims Bar Date except for amendments to proofs of Claim to decrease the amount or priority
15 thereof; provided, however, that the foregoing deadline shall not afford a claimant a right to amend a
16 Claim that, pursuant to applicable law, is not subject to amendment.

17 **D. Claim Objections.**

18 An objection to a Claim shall be filed no later than the Claims Objection Deadline. An
19 objection to an Administrative Claim shall be filed no later than the Administrative Claims
20 Objection Deadline. Any party in interest may file an objection to a Claim or Administrative Claim.
21 The Reorganized Company shall have the responsibility to review all proofs of Claim filed against
22 the Debtor, to file objections as appropriate and to resolve Disputed Claims. With respect to Claims
23 asserted by current or former insiders, officers, directors and employees of the TPL, and any
24 affiliated or related Persons and Entities thereto (including, without limitation, the Insider Employee
25 Compensation Claims and the Insider 13% Claims), the Reorganized Company, in its sole
26 discretion, may refer any objections to such Claims to the Committee.

27 **E. Disputed Claims.**

28 Subject to the next sentence, any Cash that would be distributed to the holder of a Disputed

1 Claim if it were an Allowed Claim on any Distribution Date hereunder shall be set aside by the
2 Disbursing Agent into the Disputed Claims Reserve Account. Not later than fifteen (15) days after
3 the Disbursing Agent receives notice that a Disputed Claim has been Allowed in whole or in part,
4 the Disbursing Agent shall distribute the Cash deposited into the Disputed Claims Reserve Account
5 on account of the Allowed Amount of such Disputed Claim. To the extent that Cash payments made
6 into the Disputed Claims Reserve Account on account of a Disputed Claim exceed the Cash
7 distributable with respect to the Allowed Amount of such Claim, such excess cash shall be returned
8 to the Claims Trust Account for the funding of the next Quarterly Payment.

9 **F. Distributions**

10 Notwithstanding any provision of the Plan specifying a date for payments or Distributions of
11 consideration, payments and Distributions with respect to any Claim that on such date is disputed,
12 contingent, unliquidated or unknown as to amount, will not be made until a Final Order with respect
13 to an objection, estimation or valuation of such Claim is entered by the Bankruptcy Court, or an
14 agreement is reached between the parties, whereupon appropriate Distributions shall be made
15 promptly in accordance with the preceding paragraph. Notwithstanding the foregoing, any
16 undisputed portion of a Disputed Claim shall receive a Distribution on the undisputed portion of the
17 Claim at the same time as Allowed Claims in the same Class pursuant to the Plan.

18 **ARTICLE IX.**

19 **RESERVATION OF RIGHTS AND PRESERVATION OF CLAIMS;
20 RELEASE OF AVOIDANCE ACTIONS; TOLLING AGREEMENT.**

21 **A. Preservation of Claims and Rights.**

22 Except as otherwise provided by the Plan, the Committee reserves the right to pursue all
23 claims against third parties as provided in Article X of the Plan, including the Retained Claims
24 identified in Section X-B of the Plan.

25 **ARTICLE X.**

26 **REQUEST FOR CONFIRMATION.**

27 If any Class of Claims does not accept the Plan, the Debtor may elect to seek Confirmation of
28 the Plan under Section 1129(b) of the Bankruptcy Code. Confirmation under Section 1129(b) can,

1 in appropriate circumstances, take place notwithstanding the rejection of, or objection to, the Plan by
2 Creditors.

3 The Committee, as the proponent of the Plan, requests Confirmation of the Plan. In the event
4 any Impaired Class of Claims entitled to vote does not accept the Plan by the requisite statutory
5 majorities provided in Section 1126(c) of the Bankruptcy Code, the Committee requests that the
6 Bankruptcy Court confirm the Plan in accordance with the provisions of Section 1129(b) of the
7 Bankruptcy Code.

8 **ARTICLE XI.**

9 **RETENTION OF JURISDICTION.**

10 Article XII of the Plan provides that the Bankruptcy Court shall retain and have all authority
11 and jurisdiction as is allowed under the Bankruptcy Code and other applicable law to enforce the
12 provisions, purposes, and intent of the Plan.

13 **ARTICLE XII.**

14 **EFFECT OF CONFIRMATION.**

15 As of the Confirmation Date, the effect of Confirmation of the Plan shall be as provided in
16 Section 1141 of the Bankruptcy Code, and as follows:

17 **A. Binding Effect of Plan.**

18 The provisions of the confirmed Plan shall bind the Debtor, the Reorganized Company, any
19 Entity acquiring property under or otherwise accepting the benefits of the Plan, and every Creditor
20 and Interest Holder, whether or not such Creditor or Interest Holder has filed a proof of Claim or
21 Interest in the Bankruptcy Case, whether or not the Claim or Interest of such Creditor or Interest
22 Holder is Impaired under the Plan, and whether or not such Creditor or Interest Holder has accepted
23 or rejected the Plan.

24 **B. Vesting Of Property.**

25 Subject to the provisions of this Plan and the Order of Confirmation, the property of the
26 Debtor and the Bankruptcy Estate shall vest in the Reorganized Company on the Effective Date. As
27 of the Effective Date, all such property shall be free and clear of any and all liens, encumbrances,
28 Claims and Interests of Creditors and Interest Holders except as otherwise provided in the Plan,

1 including, without limitation, the Unsecured Creditors' Security Interest. Revesting does not
2 modify the nature of any contracts assumed pursuant to the Plan.

3 **C. Discharge.**

4 Except as otherwise provided in the Plan or the Order of Confirmation, the rights afforded
5 under the Plan and the treatment of Claims and Interests under the Plan are in exchange for and in
6 complete satisfaction, discharge, and release of, all Claims, including any interest accrued thereon
7 from and after the Petition Date, against the Debtor, the Reorganized Company, the Bankruptcy
8 Estate, or any assets or property of the Debtor, the Reorganized Company and the Bankruptcy
9 Estate. Except as provided in the Plan or the Order of Confirmation, pursuant to Bankruptcy Code
10 § 1141(d), Confirmation forever discharges the Debtor and the Reorganized Company from any and
11 all Claims and all debts that arose before the Effective Date, and all debts of the kind specified in
12 Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a proof of Claim based
13 on such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based
14 on such debt is Allowed under Section 502 of the Bankruptcy Code; or (c) the holder of a Claim
15 based on such debt has accepted the Plan.

16 **D. Exculpation.**

17 None of the Bankruptcy Estate, the Reorganized Company, the Manager, the Committee, the
18 members of the Committee (solely in their capacity as such) and their respective officers, directors,
19 members, managers, employees, advisors, attorneys, agents, or direct and indirect affiliates will have
20 or will incur any liability to any holder of a Claim or Interest, or any other party in interest, or any of
21 their respective members or former members, agents, employees, representative, financial advisors,
22 attorneys or affiliates or any of their predecessors, successors, or assigns, for any act or omission in
23 connection with, relating to, or arising out of, the Bankruptcy Case, the negotiation and pursuit of
24 confirmation of the Plan, the confirmation of the Plan, the consummation of the Plan, or the
25 administration of the Plan excluding the obligations of the Debtor or the Reorganized Company
26 under the Plan and any acts or omissions of any Person covered by this Section constituting willful
27 misconduct or gross negligence, and in all respects such Persons shall be entitled to rely on the
28 advice of counsel with respect to their duties and responsibilities under the Plan.

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E. Injunction.

As of the Confirmation Date, all Persons or Entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or any other right that is terminated under the Bankruptcy Code or the Plan are permanently enjoined from commencing or continuing any action, the employment of process, or other action, to collect, recover or offset any such Claim or debt as a liability of the Bankruptcy Estate or the Reorganized Company to the fullest extent permitted by Bankruptcy Code Section 524.

F. Preservation of Insurance.

The discharge and release from Claims as provided in the Plan, except as necessary to be consistent with the Plan, do not diminish or impair the enforceability of any insurance policy that may cover Claims against the Debtor, the Bankruptcy Estate, the Reorganized Company or any other Person.

G. Reservation of Powers.

The Reorganized Company shall retain all powers granted by the Bankruptcy Code, the Bankruptcy Rules and the Local Rules to a trustee or debtor in possession, including those with respect to the recovery of property and objections to, and/or subordination of, Claims and Interests.

ARTICLE XIII.

OTHER PLAN PROVISIONS

Article XIV of the Plan sets forth a number of additional provisions that govern the Plan. These provisions cover topics such as modification of the Plan, where to send notices to the Committee or the Reorganized Company and other terms.

ARTICLE XIV.

RISK FACTORS.

Holders of Claims against the Debtor should read and consider carefully the factors set forth below, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated herein by reference), prior to voting to accept or reject the Plan. If any of the risk factors discussed below materialize, thereby hindering the Debtor's or Reorganized Company's ability to successfully reorganize and/or consummate the Plan, the

1 Debtor and/or Reorganized Company may pursue other alternatives such as a liquidation or further
2 reorganization under the Bankruptcy Code or applicable state law. This could result in distributions
3 to Creditors which are less than the Distributions provided under the Plan; however, in any such
4 instance, distributions still would likely exceed payment to Creditors in a Chapter 7 scenario where
5 there would be no license to liquidate the Company's inventory. The below risk factors should not
6 be regarded as constituting the only risks involved in connection with the Plan and its
7 implementation.

8 **A. Certain Bankruptcy Considerations.**

9 Although the Committee believes that the Plan will satisfy all requirements necessary for
10 Confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court or any
11 court hearing an appeal from the Confirmation Order will reach the same conclusion. Moreover,
12 there can be no assurance that modifications to the Plan will not be required for Confirmation or that
13 such modifications would not necessitate the re-solicitation of votes. In addition, although the
14 Debtor believes that the Effective Date will occur soon after the Confirmation Date, there can be no
15 absolute assurance in this regard.

16 **B. Risks Relating to the Projections.**

17 The Committee has prepared the Projections, attached hereto as **Exhibit "A"** and
18 incorporated herein by reference, which provide financial information with key assumptions, in
19 connection with the development of the Plan, to present the projected effects of the Plan and the
20 transactions contemplated thereby. The Projections assume that the Plan and the transactions
21 contemplated thereby will be implemented in accordance with their respective terms, and are based
22 on numerous other assumptions and estimates. The assumptions and estimates underlying the
23 Projections are inherently uncertain and are subject to significant business, economic and
24 competitive risks and uncertainties that could cause actual results to differ materially from those
25 projected. Accordingly, the Projections are not necessarily indicative of the future financial
26 condition or results of operations of the Reorganized Company, which may vary significantly from
27 those set forth in the Projections. The Projections are discussed in greater detail below at Article
28 XIX.

1 **C. Claims Estimates and Distributions Risks.**

2 The Administrative Claims Bar Date and Rejection Claims Bar Date will occur after
3 Confirmation, and the Allowed amount of such Claims may increase the total liabilities of the
4 Reorganized Company.

5 Moreover, the Debtor’s estimates of Allowed Claims and the consummation of the Plan are
6 based on numerous uncertain considerations which will necessarily be affected by, amongst other
7 things, the outcome of objections to Claims and the cost and expenses of such actions. For example,
8 if the Reorganized Company is unsuccessful in its objections to Disputed Claims and contingent
9 Claims that are asserted against the Debtor, the total liabilities will be significantly greater than
10 estimated, and any extended litigation involving the Reorganized Company may potentially affect
11 Distributions to holders of Allowed Claims. For example, the Plan also contemplates subordination
12 and/or disallowance of the Employee Incentive Compensation Claims and the Insider 13% Claims.
13 If these claims are not subordinated or disallowed, Class 6A claims will increase by as much as \$34
14 million, making it impossible to return a 100% payment to creditors unless it was payable over a
15 decade[s].

16 Creditors in Class 5 may, as a result of their election to receive treatment under Class 5,
17 ultimately receive less than they otherwise would if they did not so elect and were afforded treatment
18 under Class 6. Conversely, Creditors in Class 6 who are eligible to receive treatment under Class 5
19 but decline such election, may, as a result of their election to remain in Class 6, ultimately receive
20 less and/or receive Distributions significantly later than they otherwise would if they were afforded
21 treatment under Class 6. These risks similarly apply to those Creditors who elect to receive
22 treatment under Class 7 rather than remaining in Class 6 and vice versa.

23 **D. Risks of Implementing Plan.**

24 A significant part of the success of the Plan will be the cost-reduction benefits realized by the
25 anticipated elimination of Alliacense as a service provider and licensing agent for the MMP and non-
26 MMP Portfolios. New management may determine that that it would be in the best interest of the
27 Reorganized Debtor to negotiate a new arrangement with Alliacense. There is no assurance that the
28 Debtor and/or the Reorganized Company will be able to successfully terminate Alliacense’s

1 involvement without incurring termination costs or legal fees to contest potential litigation by
2 Alliacense as a result of the termination. The Debtor's and/or the Reorganized Company's inability
3 to effect a successful termination of the Alliacense relationship could cause the Debtor or the
4 Reorganized Company to fail or severely adversely affect the successful implementation of the Plan,
5 and could have a material and adverse effect on its business, results of operations, and financial
6 condition.

7 The Committee has based its projections on the Debtor's historical performance over the last
8 three years. However, unforeseen variables may significantly impact the forecast causing actual
9 financial results to differ materially.

10 **ARTICLE XV.**

11 **CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN.**

12 **A. Introduction.**

13 The implementation of the Plan may have federal, state, and local tax consequences to the
14 Debtor and the Debtor's Creditors and Interest Holder. No tax opinion has been sought or will be
15 obtained with respect to any tax consequences of the Plan. This Disclosure Statement does not
16 constitute and is not intended to constitute either a tax opinion or tax advice to any person, and the
17 summary contained herein is provided for informational purposes only. The Committee simply
18 refers to the Debtor's Disclosure Statement, reproduced below.

19 "Implementation of the Plan may result in federal income tax consequences to creditors. Tax
20 consequences to a particular creditor may depend on the particular circumstances or facts regarding
21 the claim of the creditor. No tax opinion has been sought or will be obtained with respect to any tax
22 consequences of the Plan, and the following disclosure does not constitute and is not intended to
23 constitute either a tax opinion or tax advice to any person. Rather, the following disclosure is
24 provided for informational purposes only.

25 The federal tax consequences of the Plan to a hypothetical creditor typical of the holders of
26 claims or interests in this case depend to a large degree on the accounting method adopted by that
27 hypothetical creditor. A "hypothetical creditor" in this case is defined as a general unsecured
28 creditor. In accordance with federal tax law, a holder of such a claim that uses the accrual method

1 and who has posted its original sale to TPL as income at the time of the product sold or the service
2 provided hypothetically should adjust any net operating loss to reflect the amounts paid by TPL
3 under the Plan provided that holder previously deducted the liability to TPL as a “bad debt” for
4 federal income tax purposes. Should that holder lack a net operating loss, then in accordance with
5 federal income tax provisions, the holder should treat the dividend paid as ordinary income, again
6 provided the holder previously deducted the liability to TPL as a “bad debt” for federal income tax
7 purposes. If the accrual basis holder of the claim did not deduct the liability as a “bad debt” for
8 federal income tax purposes, then the amount paid by TPL has no current income tax implication. A
9 holder of a claim that uses a cash method of accounting would, in accordance with federal income
10 tax laws, treat the amount paid as income at the time of receipt.

11 **TPL MAKES NO REPRESENTATIONS REGARDING THE PARTICULAR TAX
12 CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN AS TO
13 ANY CREDITOR. EACH PARTY AFFECTED BY THE PLAN SHOULD CONSULT HER,
14 HIS OR ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX
15 CONSEQUENCES OF THE PLAN WITH RESPECT TO A CLAIM.”**

14 **ARTICLE XVI.**

15 **VOTING PROCEDURES AND REQUIREMENTS.**

16 **A. Creditors and Interest Holders Entitled to Vote.**

17 Only Impaired (as that term is defined in Section 1124 of the Bankruptcy Code) Classes
18 under the Plan are entitled to vote on the Plan.

19 **B. Definition of Impairment.**

20 Section 1124 of the Bankruptcy Code provides in part as follows:

21 . . . a class of claims or equity interests is Impaired under a plan unless,
22 with respect to each claim or equity interest of such class, the plan-

23 (1) leaves unaltered the legal, equitable, and contractual rights of
24 the holder of such claim or interest; or

25 (2) notwithstanding any contractual provision or applicable law that
26 entitles the holder of a claim or interest to demand or receive
27 accelerated payment of its claim or interest after the occurrence of a
28 default:

(A) cures any such default that occurred before or after the
commencement of the case under this title, other than a default of a
kind specified in section 365(b)(2) of this title or of a kind that section
365(b)(2) expressly does not require to be cured;

1 (B) reinstates the maturity of such claim or interest as such maturity
2 existed before such default;

3 (C) compensates the holder of such claim or interest for any
4 damages incurred as a result of any reasonable reliance by such holder
5 on such contractual provision or applicable law;

6 (D) if such claim or such interest arises from any failure to perform
7 a nonmonetary obligation, other than a default arising from failure to
8 operate a nonresidential real property lease subject to section
9 365(b)(1)(A), compensates the holder of such claim or such interest
10 (other than the debtor or an insider) for any actual pecuniary loss
11 incurred by such holder as a result of such failure; and

12 (E) does not otherwise alter the legal, equitable, or contractual
13 rights to which such claim or interest entitles the holder of such claim
14 or interest.

15 **C. Classes Impaired Under the Plan.**

16 Classes are Impaired by the Plan and entitled to vote. No other Classes are Impaired under
17 the Plan. Pursuant to Section 1126(f) of the Bankruptcy Code, a Class that is not Impaired under the
18 Plan, and each holder of a Claim or Interest of such Class, are conclusively presumed to have
19 accepted the Plan, and solicitation of acceptances with respect to such Class from the holders of
20 Claims or Interests of such class is not required. Therefore, Creditors from Classes 2 and 3, and the
21 holder of Interests in Class 9 do not need to return a Ballot.

22 **D. Vote Required for Class Acceptance.**

23 The Bankruptcy Code defines acceptance of a plan by a class of creditors as acceptance by
24 the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the claims
25 of that class which actually cast ballots for acceptance or rejection of the Plan, i.e., acceptance takes
26 place only if two-thirds (2/3) in amount and a majority in number of the Creditors voting cast their
27 ballots in favor of acceptance.

28 The Bankruptcy Code defines acceptance of a plan by a class of interests as acceptance by
the holders of two-thirds (2/3) in amount of the allowed interests of that class which actually cast
ballots for acceptance or rejection of the plan, i.e., acceptance in a class of interests takes place only
if the holders of two-thirds (2/3) in the amount of the allowed interests in the class cast their ballots
in favor of acceptance. As discussed above, the Plan does not impair the rights of the holder of
Allowed Interests, and Class 9 is conclusively presumed to have accepted the Plan.

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E. Procedures.

With the Plan and Disclosure Statement, Creditors will receive a Ballot and instructions for voting on the Plan. You should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot sent to you with this Disclosure Statement and the Plan. Creditors in Class 6 who wish to receive treatment under Class 5 must indicate their election to be in Class 5 where indicated on the Ballot, or they will receive treatment in Class 6.

A Claim to which an objection has been filed is not an Allowed Claim unless and until the Bankruptcy Court rules on the objection. Pursuant to a motion by a Creditor, the Bankruptcy Court may temporarily allow a Disputed Claim to which an objection has been filed for purposes of voting on the Plan. Therefore, although holders of Disputed Claims to which an objection has been filed will receive Ballots, these votes will not be counted unless the Bankruptcy Court temporarily allows such Claims for purposes of voting on the Plan.

If a party in interest is a member of more than one Class, it will receive a Ballot for each Class. IF YOU ARE A MEMBER OF MORE THAN ONE CLASS, YOU MUST FILL OUT AND RETURN ALL BALLOTS SENT TO YOU FOR YOUR VOTE TO COUNT IN EACH CLASS. CREDITORS WISHING TO VOTE ON THE PLAN MUST COMPLETE THE BALLOT PROVIDED AND RETURN IT NO LATER THAN _____, 201_ TO:

Dorsey & Whitney LLP
Attn: Thomas T. Hwang
305 Lytton Avenue
Palo Alto, California 94301
Email: hwang.thomas@dorsey.com

IF YOUR BALLOT IS NOT RETURNED BY _____ (the “VOTING DEADLINE”), IT MAY NOT BE CONSIDERED. BALLOTS WHICH ARE RETURNED BUT NOT PROPERLY EXECUTED WILL NOT BE CONSIDERED. BALLOTS WHICH ARE EXECUTED BUT WHICH FAIL TO INDICATE EITHER ACCEPTANCE OR REJECTION OF THE PLAN WILL BE CONSIDERED AS ACCEPTING THE PLAN.

ARTICLE XVII.

CONFIRMATION PROCEDURES; OBJECTIONS TO CONFIRMATION.

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

- 1 1. The Plan complies with the applicable provisions of the Bankruptcy Code;
- 2 2. The Debtor has complied with the applicable provisions of the Bankruptcy
- 3 Code;
- 4 3. The Plan has been proposed in good faith and not by any means forbidden by
- 5 law;
- 6 4. Any payment made or to be made by the Debtor, or by a person issuing
- 7 securities or acquiring property under the Plan, for services or for costs and expenses in or in
- 8 connection with the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy
- 9 Case, has been approved by, or is subject to the approval of, the Court as reasonable;
- 10 5. The Debtor has disclosed the identity and affiliations of any individual
- 11 proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the
- 12 Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the
- 13 Debtor under the Plan; and the appointment to, or continuance in, such office of such individual, is
- 14 consistent with the interests of holders of Claims and Interests and with public policy; and the
- 15 Debtor has disclosed the identity of any insider that will be employed or retained by the Reorganized
- 16 Company, and the nature of any compensation for such insider;
- 17 6. With respect to each Class of Impaired Claims or Interests, each holder of a
- 18 Claim or Interest of such Class either (a) has accepted the Plan, or (b) will receive or retain under the
- 19 Plan on account of such Claim or Interest property of a value, as of the Effective Date of the Plan,
- 20 that is not less than the amount that such holder would so receive or retain if the Debtor was
- 21 liquidated on such date under Chapter 7 of the Bankruptcy Code;
- 22 7. Subject to the “cramdown” provisions of the Bankruptcy Code discussed in
- 23 each Class of Claims or Interests has accepted the Plan;
- 24 8. Except to the extent that the holder of a particular Claim has agreed to a
- 25 different treatment of such Claim, the Plan provides that incurred, Allowed Administrative Claims
- 26 will be paid in full on the Effective Date of the Plan and that Allowed Priority Tax Claims will be
- 27 paid in full over a period not longer than five (5) years from the Petition Date;
- 28 9. If a Class of Claims is Impaired under the Plan, at least one Class of Impaired

1 Claims has accepted the Plan, determined without including any acceptance of the Plan by any
2 insider holding a Claim of such Class;

3 10. Confirmation of the Plan is not likely to be followed by the liquidation, or the
4 need for further financial reorganization, of the Debtor or any successor to the Debtor under the
5 Plan, unless such liquidation or reorganization is proposed in the Plan;

6 11. All fees payable under Section 1930 of title 28, as determined by the Court at
7 the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of all
8 such fees on the Effective Date of the Plan; and

9 12. All transfers of property of the Plan are to be made in accordance with any
10 applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or
11 trust that is not a moneyed, business, or commercial corporation or trust.

12 **C. Compliance with Confirmation Requirements.**

13 The Committee believes that all of the foregoing requirements have been or will be met prior
14 to the Confirmation Hearing. Specifically, the Committee believes: (1) the Plan is in the best
15 interests of Creditors, in that holders of all Allowed Claims will receive payments under the Plan
16 having a present value as of the Effective Date of the Plan in amounts not less than the amounts
17 likely to be received if the Debtor was liquidated in a case under Chapter 7 of the Bankruptcy Code;
18 and (2) the Plan will be accepted by sufficient votes in each Impaired Class or may be confirmed
19 under the cramdown standards of Section 1129(b) of the Bankruptcy Code even if sufficient votes
20 are not received.

21 **D. Cramdown.**

22 In the event that any Impaired Class of Claims does not accept the Plan, the Bankruptcy
23 Court may still confirm the Plan at the request of the proponent if, as to each Impaired Class which
24 has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.”
25 Generally, a plan of reorganization “does not discriminate unfairly” against a class if the plan
26 allocates value to that class in a manner consistent with the treatment afforded to other classes with
27 similar legal claims against the debtor. “Fair and equitable” has different meanings for the holders
28 of secured and unsecured claims, and for holders of interests.

1 With respect to a secured claim, “fair and equitable” means either: (a) the impaired secured
2 creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at
3 least equal to the allowed amount of its claim with a present value as of the effective date of the plan
4 at least equal to the value of such creditor’s interest in the property securing its liens; (b) property
5 subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien
6 attaching to the proceeds of the sale, and such lien proceeds are treated in accordance with clauses
7 (a) or (c) hereof; or (c) the impaired secured creditor realizes the “indubitable equivalent” of its
8 claim under the plan.

9 With respect to an unsecured claim, “fair and equitable” means either: (a) each impaired
10 unsecured creditor receives or retains property of a value equal to the amount of its allowed claim; or
11 (b) the holders of claims and interests that are junior to the claims of the dissenting class will not
12 receive any property under the plan. For example, while Class 6A under the Plan is Impaired,
13 holders of Allowed Unsecured Claims in Class 6 will receive payment in the full amount of their
14 Allowed Claims plus interest, under the Plan. Therefore, the Plan is fair and equitable with respect
15 to Allowed Unsecured Claims in Class 6A.

16 With respect to a class of interests, “fair and equitable” means either: (a) the plan provides
17 that each holder of an interest of such class receive or retain on account of such interest property of a
18 value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed
19 liquidation preference to which such holder is entitled, any fixed redemption price to which such
20 holder is entitled, or the value of such interest; or (b) the holder of any interest that is junior to the
21 interests of such class will not receive or retain any property under the plan on account of such junior
22 interest.

23 In the event that one or more Classes of Impaired Claims rejects the Plan, the Bankruptcy
24 Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not
25 discriminate unfairly against any rejecting Impaired Class of Claims.

26 **ARTICLE XVIII.**

27 **BEST INTERESTS TEST.**

28 The Bankruptcy Court must independently determine that the Plan is in the best interest of all

1 Classes of Creditors and Interests. The “best interest” test requires that a plan provide to each
2 dissenting member of each Impaired Class a recovery that has a present value at least equal to the
3 present value of the distribution which each such Creditor or Interest holder would receive if the
4 Debtor was liquidated under Chapter 7 of the Bankruptcy Code.

5 **A. Liquidation Under Chapter 7.**

6 In performing this analysis, the Bankruptcy Court must determine the amount that would be
7 generated from a Chapter 7 liquidation of the Debtor’s assets after deducting the costs of liquidation.

8 As a general matter, because a Chapter 7 Trustee does not operate a business, a
9 reorganization pursuant to the Plan will enable the Reorganized Company, under new, independent
10 management, to continue to operate the business as a going concern, proficiently administer the Plan
11 and maximize value for the Debtor’s creditors in the most cost-effective and sensible manner.

12 On the other hand, a Chapter 7 Trustee’s costs in liquidating the Bankruptcy Estate would
13 include the Trustee’s commissions, the Trustee’s expenses, fees for counsel and other professionals
14 retained by the Trustee, and additional Administrative Claims. Assets would be liquidated at
15 reduced liquidation values as opposed to their going concern value. In addition to liquidating the
16 Debtor’s assets, the Trustee would also need to decide whether to litigate certain claims and
17 investigate other possible litigation matters. Generally, no distribution is made in a Chapter 7 case
18 until all assets of the bankruptcy estate and all claims have been liquidated, a process that often can
19 take many months and sometimes years. This delay could further impair the value of any
20 distribution made to holders of Claims in a Chapter 7 liquidation. As detailed herein, the Committee
21 believes that creditors will fare much better if the Debtor, under new management, is permitted to
22 continue its restructured operations, monetize existing assets in a manner designed to maximize its
23 value, and sell licenses for intellectual property, all as contemplated by the Plan.

24 **B. Liquidation Analysis.**

25 A liquidation analysis based on the estimates and figures set forth herein, comparing the
26 “best case,” “worst case” and Chapter 7 liquidation scenarios. For purposes of this Disclosure
27 Statement, the Committee attaches as **Exhibit “B”** and incorporates herein by reference, the
28 Liquidation Analysis prepared by the Debtor (the “Liquidation Analysis”). The figures therein are

1 estimates prepared by the Debtor only, and the actual numbers underlying the assumptions may be
2 higher or lower and could be considerably higher or lower, and therefore, the ultimate Distribution
3 could fall significantly outside of the estimated range.

4 The Committee has not concluded its review of Claims and anticipates that objections to
5 Disputed Claims will be filed, the outcomes of which will affect the ultimate pool of Allowed
6 Claims. In addition, pursuant to the Plan, the Debtor will reject certain executory contracts, and
7 therefore, all Rejection Claims are undetermined at this time. As discussed above and set forth in
8 Article XIV above, there are numerous other contingencies and risk factors that will ultimately affect
9 the outcome of this Bankruptcy Case.

10 **ARTICLE XIX.**

11 **FEASIBILITY.**

12 The Plan contemplates the reorganization of the Debtor's finances and the implementation of
13 a new business strategy, which in turn will generate proceeds to fund the Plan. The Bankruptcy
14 Court must find that Confirmation of the Plan is not likely to be followed by the liquidation or the
15 need for further financial reorganization of the Debtor or the Reorganized Company unless such
16 liquidation or reorganization is contemplated by the Plan itself.

17 As discussed herein, the Plan provides for Distributions to Creditors from cash on hand, as
18 well as from cash flow from revenue from future operations. The Debtor has estimated that it will
19 have \$1,450,000 in cash as of the effective date of its plan which it asserts will be sufficient to pay
20 all Allowed Claims, Allowed Administrative Claims and all other payments required to be paid by
21 the effective date of its plan. The remaining payments and funding obligations under the Plan are
22 required to be made quarterly or as otherwise set forth in the Plan (see Articles III, IV and V, and
23 Section VI-F of the Plan). Under the Plan, the Committee estimates that Distributions may equal
24 \$420,000 - \$490,000 per quarter.

25 As discussed above, the Projections attached hereto as **Exhibit "A"** are based on numerous
26 key assumptions and estimates (detailed below), and therefore are not necessarily indicative of the
27 future financial condition or results of operations of the Reorganized Company, which may vary
28 significantly.

1 The Projections were prepared based on the following revenue assumptions: The Committee
2 does not have full access to the information available to the Debtor regarding its revenue projections
3 and is skeptical of the amounts for expected revenues in its disclosure statement. Therefore, the
4 Committee has reviewed the income statement of the Debtor attached as Exhibit B-2 to the Debtor's
5 Disclosure Statement and has utilized the Debtor's actual revenues in the last 3 years in preparing
6 the revenue projections.

7 With respect to projected expenses, the Committee has prepared 3 different scenarios:
8 Scenario A would have new management step in and evaluate what at TPL they might want to keep.
9 Scenario B would have new management talk to existing litigation counsel and discuss possibility of
10 combining firm's responsibilities to include both litigation and licensing. Scenario C would entail
11 not only the continued existence of current litigation firm, but would also engage a new licensing
12 group.

13 **ARTICLE XX.**

14 **POST-CONFIRMATION MANAGEMENT.**

15 The Manager will be the Responsible Person of the Reorganized Company. The duties of the
16 Manager are discussed at Sections VI-B and VI-I above.

17 Dated: December 17, 2013

Official Committee of Unsecured Creditors

18
19 By: /s/ Marcie Brown

Marcie Brown
Chairperson

20
21 **DORSEY & WHITNEY LLP**

22 By: /s/ Robert A. Franklin

23 Robert A. Franklin
24 Attorneys for Official Committee of
25 Unsecured Creditors
26
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8 Unsecured Creditors

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

12 In re:

13 **TECHNOLOGY PROPERTIES LIMITED LLC,**)
fka TECHNOLOGY PROPERTIES LIMITED)
14 **INC., A CALIFORNIA CORPORATION,**)
fka TECHNOLOGY PROPERTIES LIMITED,)
15 **A CALIFORNIA CORPORATION,**)

16 Debtor.)

Case No. 13-51589-SLJ-11

Chapter 11

Date: TBD

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
20 **EXHIBIT "A"**

21 **To**

22 **DISCLOSURE STATEMENT**
23 **FOR OFFICIAL COMMITTEE OF UNSECURED CREDITORS' PLAN OF REORGANIZATION**
24 **(DATED DECEMBER 17, 2013)**

25
26 **TO BE PROVIDED**
27
28

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8
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
) Time: TBD
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 December 17, 2013, at my place of business, I served a true and correct copy of the
26 following document(s):

27 **DISCLOSURE STATEMENT FOR OFFICIAL COMMITTEE OF**
28 **UNSECURED CREDITORS' PLAN OF REORGANIZATION (DATED DECEMBER 17, 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

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

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8 **Request For Special Notice**

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23 This Certificate was executed on December 17, 2013 at Palo Alto, Santa Clara County,
24 California. I declare under penalty of perjury that the foregoing is true and correct.

25 */s/ Sandra Bloomer*

26 SANDRA BLOOMER