

Mr. Fokas admitted that Parallel Networks currently could not pay the unbonded part of the Judgment.²¹ Taking in consideration the Jenner & Block Judgment (improperly omitted from Parallel Networks' balance sheets) the company is plainly insolvent.

Grounds For Rule 24.2(d) Injunction Against Parallel Networks. As noted above, the first two elements of a request for injunctive relief are automatically established by the existence of the Judgment in this case. The following grounds support the third and final element – that Parallel Networks is likely to dissipate or transfer its assets to avoid satisfaction of the Judgment.

1. Parallel Networks is a non-practicing entity, a/k/a “patent troll.” It has no assets to speak of other than patents and patent lawsuits. It has no equipment other than basic office furniture and supplies. It has no inventory or customers. It has no regular or predictable income. It does, however, receive funds as a result of its patent enforcement activities.

2. Parallel Networks is owned by its members, including managing member Terry Fokas. Mr. Fokas is a lawyer and a member of the Texas Bar. Although Parallel Networks refuses to reveal the identity of all of its current members, based on tax returns and testimony most of the members are limited liability entities. Some members are located outside of United States.

3. Historically, when Parallel Networks settles a lawsuit or enters into a patent license it uses the proceeds to pay creditors such as attorneys and experts, to pay Mr. Fokas, and then to distribute some or all of the remaining funds to its members, at the discretion of Mr. Fokas. According to Mr. Fokas, payment of distributions is entirely within his discretion, but is subject to the limits in the Regulations.

²¹ Fokas Depo., at 33:18-34:2.