

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE:

DOGLEG RIGHT PARTNERS, LP
75-2579291
1200 Placid Avenue, Suite 300
Plano, TX 75074

Debtor(s).

Case No.: 16-40885-BTR-11

Chapter: 11

DEBTOR'S MOTION FOR AUTHORIZATION TO ENTER INTO
NONEXCLUSIVE PATENT LICENSE AGREEMENT
[11 U.S.C. § 363]

NOTICE

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN TWENTY ONE (21) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

TO THE HONORABLE BRENDA T. RHOADES, CHIEF UNITED STATES BANKRUPTCY JUDGE:

COMES NOW Dogleg Right Partners, LP, Debtor and Debtor in possession in the above-styled and numbered case ("Debtor"), and files this *Debtor's Motion for Authorization to Enter Into Nonexclusive Patent License Agreement* (the "Motion") by and through the undersigned attorney. In support of the Motion, the Debtor avers as follows:

I. JURISDICTION

1. The Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. §1334(b) and the standing order of reference of the District Court. This matter is a core

proceeding. 28 U.S.C. §157(b).

2. Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein include § 363 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 9007 of the Local Rules of Bankruptcy Procedure for the Eastern District of Texas (the “Local Rules”).

II. BACKGROUND

A. Procedural History

4. This case was commenced by the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code on May 15, 2016 (the “Petition Date”).

5. No trustee or examiner has been appointed, and no official committee of creditors has yet been established.

B. Business History and Operations

6. Dogleg Right, is a Texas limited partnership which currently owns and operates a custom golf club design and manufacturing facility in Plano, Texas.

7. Founded in 1994, Dogleg Right has launched several golf brands for or with some of its past research and development, manufacturing and consulting services clients. Presently, Dogleg Right focuses its time and resources on its intellectual property portfolios and its new MACHINE Putter brand.

8. Dogleg Right is currently headquartered at 1200 Placid Avenue, Plano, Texas, and conducts business nationally.

9. Dogleg Right has had its fare share of financial challenges during the last few years. The most significant challenge to the Debtor's was a lengthy patent lawsuit.

10. Historically, however, the Debtor had always been able to overcome those challenges. That was not, however, the case on May 4, 2016. On that date, the Debtor was locked out of its premises and was unable to generate future revenue.

11. After the lockout, the Debtor had no option but to reorganize under chapter 11 of the Bankruptcy Code.

12. In light of the current economic client and the challenges the Debtor faced as regards the lockout, the Debtor has retooled its business model. As part of this restructuring process, the Debtor is not only seeking to manufacture and market its products, but to license, on a nonexclusive basis, some of its intellectual property rights.

III. RELIEF REQUESTED

13. The Debtor desires to enter into a nonexclusive license agreement with Brainstorm Golf, Inc. ("Brainstorm") respecting the following intellectual property rights (the "License"):

U.S. Patent No.	7,004,852
U.S. Patent No.	7,189,169
U.S. Patent No.	7,344,450
U.S. Patent No.	8,177,662
U.S. Patent No.	8,491,413
U.S. Patent No.	9,011,269
Serial No.	14/602,422, filed January 22, 2015
Serial No.	14/826,379, filed August 14, 2015

14. The Debtor is requesting that it be authorized to enter into the License pursuant to 11 U.S.C. § 363.

IV. THE PROPOSED LICENSE

15. A true and correct copy of the License is attached hereto as Exhibit "A" and incorporated herein by this reference.

16. The Debtor believes the terms of the License are fair and reasonable.

17. The salient terms of the Licensed are summarized as follows:

LICENSE AGREEMENT TERMS
Royalty Fee of \$45,000.00
Royalty Fee to be paid as follows: (1) \$20,000 the day after an order under this Motion is entered (" <u>Approval Date</u> "); (2) \$15,000 thirty days after the Approval Date; and (3) \$10,000 sixty days after the Approval Date.
Four year term subject to annual renewal upon payment of \$11,250
License is NOT assignable

V. BASIS FOR RELIEF REQUESTED

18. "The [Debtor-in-Possession], after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). The Fifth Circuit has acknowledged that each hearing on a section 363(b) transaction "cannot become a mini-hearing on plan confirmation." *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1227 (5th Cir. 1986). Nonetheless, "for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business." *Id.* at 1226.

19. The Debtor has a sound business justification for entering into the License. The

Debtor does not have the financial resources or access to capital necessary to implement a prolonged restructuring and the proceeds from the License will be welcomed. The Debtor has therefore determined, based upon its sound business judgment that the most viable option for maximizing the value of its estate is through a sale of the License as set forth herein.

20. Moreover, the License will not result in increased competition with the Debtor's efforts to sell similar products based upon the same intellectual property rights.

21. Further, where, as here, the License is NOT exclusive, there can be no doubt the Debtor's decision represents a reasonable business judgment, and the court should authorize the transaction. *See id; In re Braniff Airways, Inc.*, 700 F.2d 935 (5th Cir. 1983). Indeed, court approval of a proposed transaction "should only be withheld if the debtor's judgment is clearly erroneous, too speculative, or contrary to the provisions of the Bankruptcy Code. . . ." *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (quoting *Allied Technology, Inc. v. R.B. Brunemann & Sons*, 25 Bankr. 484, 495 (Bankr.S.D. Ohio 1982)).

VI. NO STAY OF ORDER

22. Time is of the essence to effectuate the proposed sale. The Debtor requests the Court waive the fourteen-day stay of order set forth in Bankruptcy Rule 6004(h) and order that the final relief requested in this Motion may be immediately available upon the entry of an order approving the sale of the Parking Lot to a final purchaser.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests that the Court enter an Order:

- a. Authorizing the Debtor to enter into the License;
- b. Waiving the fourteen (14) day stay of such order as is set forth in Bankruptcy Rule 6004(h);

c. Authorizing the Debtor to take all actions necessary to implement the relief granted herein; and

d. For such other and further relief as this Court may deem just and proper.

Respectfully submitted,

Dated: August 17, 2016

/s/ Robert T. DeMarco

DeMarco•Mitchell, PLLC

Robert T. DeMarco, Texas Bar No. 24014543

Email robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

Email mike@demarcomitchell.com

1255 W. 15th Street, 805

Plano, TX 75075

T 972-578-1400

F 972-346-6791

Counsel for Debtor and Debtor-in-Possession

CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that true and correct copies of the foregoing pleading and all attachments were served upon all parties listed below in accordance with applicable rules of bankruptcy procedure on this 17th day of August, 2016. Where possible, service was made electronically via the Court's ECF noticing system or via facsimile transmission where a facsimile number is set forth below. Where such electronic service was not possible, service was made via regular first class mail.

DEBTORS

Dogleg Right Partners, LP
1200 Placid Avenue, Suite 300
Plano, TX 75074

UNITED STATES TRUSTEE

Office of the United States Trustee
110 N. College Avenue, Suite 300
Tyler, TX 75702
FAX: 903-590-1461

ADDITIONAL PARTIES IN INTEREST AND/OR PARTIES REQUESTING NOTICE

CNC Associates

c/o Spencer & Mulally
14156 Magnolia Blvd., Ste. 200
Sherman Oaks, CA 91423

Kennington Properties

c/o Brenda T. Cubbage
Calhoun, Bhella & Sechrest, LLP
325 N. Saint Paul Street
Suite 2300
Dallas, TX 75201

SEE ATTACHED MATRIX

/s/ Robert T. DeMarco

DeMarco•Mitchell, PLLC

Robert T. DeMarco, Texas Bar No. 24014543

Email robert@demarcomitchell.com

Michael S. Mitchell, Texas Bar No. 00788065

Email mike@demarcomitchell.com

1255 W. 15th Street, 805

Plano, TX 75075

T 972-578-1400

F 972-346-6791

PATENT LICENSE AGREEMENT

This Patent License Agreement (the "Agreement"), which shall be effective on the date it is executed by the last Party to sign (the "Effective Date"), by and between Dogleg Right Corporation, of Plano, Texas ("Dogleg" or "Licensor"), and Brainstorm Golf, Inc., of Escondido, California ("Brainstorm" or "Licensee"). Dogleg and Brainstorm are each referred to as a "Party" and collectively as the "Parties."

WHEREAS, the effectiveness of this Agreement is conditioned on approval of this Agreement by the Bankruptcy Court in the following case: *In re Dogleg Right Partners, LP*, Case No. 16-40885.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

DEFINITIONS

1.1 "Agreement" means this Patent License Agreement.

1.2 "Licensed Patents" means all patents and patent applications, except for the Reserved Dogleg Patents, which relate to golf putters and which are owned or controlled by any of: Dogleg, its affiliates, Dave Billings or any entity at least partially owned or controlled by Dave Billings. For the avoidance of doubt, the Licensed Patents shall include the Known Dogleg Putter Patents and shall not include the Reserved Dogleg Patents.

1.3 "Licensed Products" means golf putters that are covered or could be alleged to be covered by one or more claims of any Licensed Patent. For the avoidance of doubt, Licensed Products do not include drivers, woods, irons, wedges or grips.

1.4 "Licensed User" means Brainstorm and its Subsidiaries (as defined below in Section 1.5), the latter subject to the following:

(a) if an entity that was at any time a Subsidiary ceases to meet the definition of Subsidiary at any time after the Effective Date (a "Divested Subsidiary"), the Divested Subsidiaries shall continue to be a Licensed User; however, the license rights and other rights granted under this Agreement shall extend only to the business of the Divested Subsidiary at the time of the divestiture, and shall not extend to any other operations of any entity that acquired the Divested Subsidiary; and

(b) if an entity becomes a Subsidiary after the Effective Date (an "Acquired Subsidiary"), the Acquired Subsidiary shall be a Licensed User beginning as of the time it became a Subsidiary; however, the license rights and other rights granted under this Agreement shall not apply to any product of the Acquired Subsidiary prior to the

time it became a Subsidiary, and the covenant not to sue granted in Section 2.2 below shall not prevent the initiation or continuation of litigation against the Acquired Subsidiary. For avoidance of doubt, to the extent Brainstorm is acquired by another entity, merges with another entity or reorganizes, the terms of Section 8.1 control such a situation, and not this Section 1.4(b).

1.5 “Subsidiary” or “Subsidiaries” shall mean any entity in which, as of the Effective Date or during the Term of this Agreement Brainstorm owns or controls a greater than fifty percent (50%) beneficial or equitable ownership interest, directly or indirectly.

1.6 “Proceeding” means any claim, cause of action, demand, or request for relief in any judicial or administrative action or any action of any kind in any jurisdiction, including but not limited to in any court of competent jurisdiction anywhere in the world, the United States Patent and Trademark Office, any foreign patent office, and/or the International Trade Commission.

1.7 “Known Dogleg Putter Patents” means the following patents and patent applications, any patent applications to which any of the following claim priority and any patents issuing from such patent applications, and any continuations, continuations-in-part, reexaminations, foreign counterparts, or reissues of any of the foregoing and any patent issuing therefrom: United States Patent Nos. 7,566,276, 8,382,604, 8,616,991, and 9,149,694; United States Patent Application Serial No. 14/874,939.

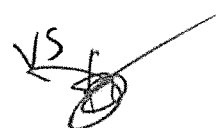
1.8 “Reserved Dogleg Patents” means the patents and patent applications set forth on Exhibit A.

1.9 “Bankruptcy Court” means the U.S. Bankruptcy Court for the Eastern District of Texas.

LICENSE AND COVENANT NOT TO SUE

2.1 Grant of Limited License. As of the Effective Date, and subject to Brainstorm’s satisfaction of its ongoing payment obligations set forth in Section 3.1, and as further subject to the other provisions of this Section 2 and the provisions of Section 8.1, Dogleg hereby grants:

- (a) to Licensed Users;
- (b) to resellers of Licensed Users, solely to the extent of their actions on behalf of Licensed Users with respect to Licensed Products; and
- (c) to the customers of Licensed Products, solely to the extent of their use of Licensed Products;



a nonexclusive, nontransferable, worldwide, royalty-bearing license under the Licensed Patents to make, have made, use, sell, offer for sale, import, and export the Licensed Products, for the Term (as defined below).

2.2 Covenant Not To Sue. Dogleg hereby covenants not to sue, under the Licensed Patents:

- (a) any Licensed User;
- (b) any reseller or retailer of Licensed Users, solely to the extent of their actions on behalf of Licensed Users with respect to Licensed Products; and
- (c) any customer or end user of Licensed Products, solely to the extent of their use of Licensed Products.

The covenants not to sue set forth herein shall expressly exclude and shall not in any way apply to any other causes of action Dogleg may now or in the future have against any Licensed User, including without limitation breach of this Agreement.

2.3 Reserved Rights. Any and all rights not explicitly granted in this Agreement are expressly reserved by Dogleg. No license or immunity as to the Licensed Patents is granted by Dogleg to any person, either by implication, estoppel, or otherwise, other than as expressly set forth in this Agreement.

2.4 No Sublicense Rights. The license granted to Licensed Users in Section 2.1 above does not confer upon Licensed Users the right to grant or otherwise transfer any rights under the Licensed Patents to any other persons or entities for any purpose, except as specifically set forth in Section 8.1 below. For the avoidance of doubt, nothing in this Agreement shall be construed as giving Brainstorm or its Subsidiaries any right to enforce the Licensed Patents against any third party.

LICENSE FEE

3.1 Royalty. As of the Effective Date of this Agreement, and in consideration of the license, release and covenant granted by Dogleg hereunder, Brainstorm is obligated to, and shall pay, Dogleg royalties ("Royalties") in the amount of Forty Five Thousand U.S. Dollars (\$45,000.00 USD), payable as follows: (a) Twenty Thousand U.S. Dollars (\$20,000.00 USD) due within one (1) business day of the Approval Date, and, thereafter: (b) Fifteen Thousand U.S. Dollars (\$15,000.00 USD) within thirty (30) days of the Approval Date, and (c) Ten Thousand U.S. Dollars (\$10,000.00 USD) within sixty (60) days of the Approval Date. If the initial payment is not timely received, this Agreement shall be null, void and without effect. Dogleg will not send invoices for the payments. It is Brainstorm's responsibility to



make all payments as and when due in accordance with this Agreement, and all late payments will be charged interest in accordance with Section 3.3 of this Agreement.

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3.2 Account. All payments shall be made by wire transfer or certified check to:

Beneficiary Name on Account: Dogleg Right Corporation
Beneficiary Address: 1200 Placid Avenue, Suite 300
Plano, Texas 75074

Wire Instructions:
Bank Name & Address: Bank of Texas, NA
333 W. Campbell Road
Richardson, TX 75080
Tel. (214) 575-1943
Bank Account: Account #: 35055
Name on Account: Dogleg Right Partners, LP
Swift Code: Routing #: 111014325

3.3 Form of Payment. All sums payable under this Agreement are exclusive of any value-added goods and services, sales, or other tax, duty, or levy; are net of any withholding or similar tax payment required by law to be paid by Brainstorm on behalf of Dogleg; and shall be payable in U.S. Dollars. Payments shall be made by wire transfer to Dogleg's designated bank account. In the event that any payment of any amount to Dogleg becomes subject to withholding of taxes on sums due to Dogleg under the Agreement, Brainstorm shall be required to and authorized to withhold such taxes as are required under applicable law to be withheld and pay over to any tax authority any such amounts required to be so withheld and paid over; provided, however, that Brainstorm shall, no later than 10 days following the due date under Section 3.1 for the payment subject to the withholding, remit to Dogleg an amount equal to the amount of tax withheld, such that the payment paid to Dogleg shall be equal to the payment that would have been paid if such withholding did not occur.

3.4 Late Payments. On all amounts outstanding and payable to Dogleg, interest shall accrue from the date such amounts are due and payable at the rate of 1% per month or the maximum rate allowable by law, whichever is lower. Brainstorm's payment of interest on such overdue amounts shall not cure or waive any breach by Brainstorm of this Agreement.

3.5 Stock Option Grant. As further consideration for the license, release and covenant granted by Dogleg hereunder, and within thirty (30) days following execution, Brainstorm shall issue to Dogleg standard options on Five Thousand (5,000) Shares of Brainstorm Common Stock in accordance with, and subject to, Brainstorm's stock option plan.

3.6 No Other Fees Required. Except with respect to any breach of this Agreement, and provided Brainstorm is not in default of any terms and conditions in this Agreement, Dogleg hereby relinquishes any claim to any other payment,

commission, or other form of compensation associated with Brainstorm's providing of the Licensed Products. Brainstorm further acknowledges Dogleg's representation that, by paying royalties "up-front" and over a short time period (as set forth above), Brainstorm is receiving a highly-discounted license as compared to rights granted on a royalty-per-club basis.

RELEASE

4.1 Release. Except for any dispute or breach relating to or arising out of this Agreement, Dogleg hereby releases and discharges Brainstorm, its officers, directors, employees, agents and attorneys, and any Brainstorm reseller, customer or end user, but solely with respect to claims, demands, or suits, known or unknown, fixed or contingent, liquidated or unliquidated, as of the Effective Date, arising from or related to any act or occurrence prior to the Effective Date that if performed on or after Effective Date would be acts subject to the covenant set forth in Section 2.2 above.

4.2 Waiver of Certain Rights. In connection with this Agreement, the Parties, on behalf of themselves and their respective assigns and successors, expressly waive and relinquish all rights and benefits afforded by Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

The Parties understand and acknowledge the significance and consequences of the specific waiver of Section 1542 of the California Civil Code and hereby assume full responsibility for and release all actions, causes of action, claims, demands, damages, compensation, costs, loss of service, expenses and attorneys' fees, which may hereafter occur or which later become known to said parties. At the same time, no claims or rights to enforce this Agreement are released.

In connection with this waiver, the Parties acknowledge that they are aware that facts may hereafter be discovered in addition to or different from those now known or believed to be true with respect to this Release, but that it is the intention of the Parties to enter into the releases in this Section 4, and thus these releases shall remain in effect as a full and complete release of the limited matters covered by them notwithstanding the later discovery or existence of any such additional or different facts.

The Parties hereby acknowledge that each Party has consulted with counsel of its choice regarding this waiver of Civil Code Section 1542. The Parties expressly

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agree that the release provisions herein contained shall be given full force and effect in accordance with each and all of their express terms and provisions, including but not limited to those terms and provisions relating to unknown or unsuspected claims, liens, demands, and causes of action hereinabove specified.

Further, the Parties expressly waive and relinquish all rights and benefits afforded by any law in any other jurisdiction similar to Section 1542 of the California Civil Code.

CONFIDENTIALITY

5.1 Each of the parties shall maintain as confidential the terms and conditions of this Agreement, and all information communicated to one another regarding the matters herein (collectively, the "Information"), except (1) Information that is disclosed by written agreement of the parties, (2) Information that is disclosed under NDA to a prospective Acquiring Party or investor; and (3) Information that is legally required to be disclosed (e.g., under subpoena, an existing agreement or otherwise) or which either party's counsel advises such party in good faith should be disclosed under any applicable securities laws. Press releases and other public statements accurately describing the fact of or and the general parameters of the settlement set forth herein shall not be deemed to violate this Section. Notwithstanding the above, and to the extent as may be necessary to effectuate its terms, Dogleg may disclose the Agreement in connection with proceedings in the following matter: In re Dogleg Right Partners, LP, Case No. 16-40885.

REPRESENTATIONS AND WARRANTIES

6.1 (a) By Dogleg: Dogleg represents and warrants that:

(i) Dogleg has full legal right, power and authority to execute, deliver and perform this Agreement, including without limitation the stipulated dismissal entered in the Lawsuit, and the execution, delivery and performance of same by Dogleg has been duly authorized by all necessary corporate action of Dogleg;

(ii) this Agreement constitutes valid and binding obligations of Dogleg, enforceable against Dogleg in accordance with the terms thereof;

(iii) no promise or representation of any kind has been made to it or any of its representatives by Brainstorm or its representatives except as expressly set forth in this Agreement, and Dogleg is not relying on any oral understanding, representations or agreements and any such reliance would be unintended by Brainstorm and unjustifiable;

(iv) it has not assigned or otherwise transferred to any third party any claims or other right to sue for infringement under the Licensed Patents.

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(v) None of the claims of Application Serial No. 14/602,422, filed January 22, 2015 or of Application Serial No. 14/826,379, filed August 14, 2015 ("Unpublished Applications") are infringed by any product of Brainstorm produced prior to the Effective Date ("Existing Brainstorm Products"), and the specifications of the Unpublished Patent Applications do not provide support for any valid claims which would be infringed by any Existing Brainstorm Products. For clarity, the Existing Brainstorm Products ~~include~~ are limited to the following:

- Original Happy Putter
- Happy Putter Tour Series
- Happy Putter 2.0 Series (Prototype)(see Exhibit B)
- ~~Happy Putter 4.0 Series (Prototype)~~

For clarity and for the avoidance of doubt, the Existing Brainstorm Products do not include the following:

- Happy Putter 3.0 Series
- Happy Putter 3.3 Series
- Happy Putter 3.4 Series

(b) By Brainstorm: Brainstorm further represents and warrants that:

(i) Brainstorm has full legal right, power and authority to execute, deliver and perform this Agreement, including without limitation the stipulated Dismissal entered in the Lawsuit, and the execution, delivery and performance of same by Brainstorm have been duly authorized by all necessary corporate action on the part of Brainstorm;

(ii) this Agreement constitutes valid and binding obligations of Brainstorm, enforceable against Brainstorm accordance with the terms thereof;

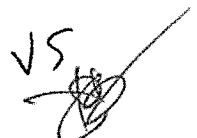
(iii) no promise or representation of any kind has been made to it or any of its representatives by Dogleg or its representatives except as expressly set forth in this Agreement, and Brainstorm is not relying on any oral understanding, representations or agreements and any such reliance would be unintended by Dogleg and unjustifiable;

(iv) it has not assigned or otherwise transferred to any third party any claims or other rights that are released hereby;

(v) it will will not manufacture or sell the Happy Putter 3.0 Series, Happy Putter 3.3 Series or Happy Putter 3.4 Series.

(c) DISCLAIMER. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS: (I) A WARRANTY OR REPRESENTATION BY DOGLEG AS TO THE VALIDITY OR SCOPE OF ANY PATENT; (II) A WARRANTY OR

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REPRESENTATION BY DOGLEG THAT THE ENJOYMENT OF ANY OF THE COVENANTS GRANTED HEREIN IS OR SHALL BE FREE FROM INFRINGEMENT OF PATENTS OF THIRD PARTIES; (III) EXCEPT AS EXPRESSLY SET FORTH HEREIN, CONFERRING THE RIGHT TO USE IN ADVERTISING, PUBLICITY OR OTHERWISE, IN ANY FORM, THE NAME OF, OR ANY TRADEMARK OR TRADE NAME OF DOGLEG, OR BRAINSTORM, AS THE CASE MAY BE; (IV) AN OBLIGATION TO FURNISH ANY KNOW-HOW; OR (V) CREATING ANY AGENCY, PARTNERSHIP, JOINT VENTURE OR SIMILAR RELATIONSHIP BETWEEN OR AMONG DOGLEG, AND/OR BRAINSTORM. NEITHER DOGLEG NOR BRAINSTORM MAKE ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

PATENT CHALLENGES; MARKING

7.1 No Challenge Permitted. Brainstorm further represents, warrants and covenants that, during the Term, neither Brainstorm nor its Subsidiaries shall contest or assist any third party (including, without limitation, any Licensed User) in the contesting in any Proceeding, including without limitation the Federal District Courts, the United States Patent and Trademark Office, any foreign patent office, and/or the International Trade Commission, that any patent or claim of the Licensed Patents is ineligible, invalid or unenforceable.

7.2 Marking. Brainstorm, its Subsidiaries, and any third party selling, offering for sale, importing, or distributing Licensed Products, shall place a mark upon every Licensed Product that shall indicate the applicable U.S. patent numbers within the Licensed Patents in a manner reasonably required to satisfy 35 U.S.C. Section 287.

ASSIGNMENT

8.1 Brainstorm may not assign, delegate, sell, transfer, sublicense or otherwise dispose of any or all of its rights or obligations under this Agreement to any other person, business or entity, except pursuant to a merger, a sale of all or substantially all of Brainstorm's business assets, or a corporate reorganization pursuant to which Brainstorm becomes owned or otherwise controlled by another entity ("Acquiring Entity"); provided, however, that the license of Section 2.1 shall not be applicable to any products developed and produced by the Acquiring Entity prior to the date Brainstorm becomes owned or otherwise controlled by the Acquiring Entity ("Acquisition Date"). For the avoidance of doubt, nothing herein shall be construed as granting Brainstorm or the Acquiring Entity a license under the Reserved Dogleg Patents either before or after the Acquisition Date.

TERM AND TERMINATION

9.1 Term of Agreement. The term of this Agreement (the "Term") and the license rights granted hereunder shall commence on the Effective Date of this

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Agreement and shall continue in effect for four (4) years from the Effective Date, unless such license rights are terminated sooner as provided for in Section 9.3. At Brainstorm's election and discretion, and subject to payment to Dogleg of an additional Eleven Thousand Two Hundred Fifty US Dollars (USD \$11,250.00) annually, Brainstorm may extend the license (an "Extension") on an annual basis following the end of the Term or any prior Extension, as the case may be. If this option is exercised by Brainstorm, the first such extension payment shall be due and payable to Dogleg before the fifth (5th) anniversary of the Effective Date, and thereafter on any subsequent anniversary.

9.2 Articles Surviving Termination. The following Sections shall survive any expiration or termination to the degree necessary to permit their complete fulfillment or discharge: Sections: 1 (in its entirety), 2 (in its entirety), 4-6 (in their entirety), 8 (in its entirety), and 10.8.

9.3 Termination for Breach. Either Party shall have the right to immediately terminate this Agreement in the event that the other Party fails to perform any of its material obligations under this Agreement and such breach is not cured within 60 days after receipt of written notice of such breach by the non-breaching Party. The right of any Party to terminate this Agreement pursuant to this Section 9.3 shall not be affected in any way by that Party's waiver or failure to take action with respect to any other breach. The non-breaching Party shall be entitled to terminate this Agreement without prejudice to any other rights conferred on it by this Agreement or under law or equity. Such termination pursuant to this Section 9.3 shall not relieve a Party from any obligations that are expressly indicated to survive termination or expiration of this Agreement.

OTHER TERMS

10.1 Notice. Any notice to be given by one party to another under this Agreement shall be given by electronic mail, or by overnight courier service, such as Federal Express, directed to the following at the address indicated or such other address as may be subsequently provided in accordance with this Section 10.1.

With respect to Dogleg:

David P. Billings
President
Dogleg Right Corporation
1200 Placid Avenue, Suite 300
Plano, Texas 75074

With respect to Brainstorm:

Vikash Sanyal
Chief Executive Officer
Brainstorm Golf, Inc.
555 Enterprise Street
Escondido, California 92029

10.2 Integration. This Agreement constitutes the entire agreement among the parties but solely with respect to the subject matter hereof, and it supersedes all representations, promises or understandings made prior to or contemporaneously herewith, but solely with respect to the subject matter hereof. The Parties intend to enter into separate work-for-hire or other consulting arrangements, however, any such agreement or arrangement shall be separate from this Agreement.

10.3 Modification. This Agreement may not be amended, modified or altered in any way, except in a writing identified as such and signed by all parties hereto.

10.4 Non-waiver. The waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach of the same or any other provision of this Agreement or of the stipulated dismissal or of the provision itself.

10.5 Severability. In the event that any provision of this Agreement is deemed invalid, unenforceable or void by a final, non-appealable judgment of a court of competent jurisdiction in a proceeding initiated by a third-party, the remainder of the Agreement shall be interpreted to the extent possible to effect the overall intention of the parties as of the Effective Date.

10.6 Applicable Law. Excepting issues involving federal law, the Agreement and the rights and duties of the parties hereunder will be governed by and construed and enforced in accordance with the laws of the State of Texas, without respect to conflict of law provisions thereof.

10.7 Execution. Each signatory to this Agreement has entered into the same freely and without duress after having consulted with professionals of his or her choice.

10.8 No Third Party Beneficiary. Except as expressly set forth herein, nothing in this Agreement shall be construed to give rise to any obligation on either Party hereto for the benefit of a third party, or to confer any rights on any party other than Brainstorm or Licensed Users. Except as otherwise provided by Section 10.10, this Agreement does not confer on any person other than Dogleg or Brainstorm any right to bring an action based upon an alleged breach of this Agreement.

VS 

10.9 Right of First Opportunity. Dogleg hereby grants Brainstorm the right of first opportunity (ROFO) to match, on the same pricing terms and payment conditions, any bona fide third party offer to purchase the Licensed Patents, or any of them ("Original Offer"). Dogleg shall notify Brainstorm of any such Original Offer, with the identity of the Offeror (as well as any other information not relevant to pricing) redacted as necessary to protect confidentiality; upon receipt of such notification, Brainstorm shall have such time as Dogleg shall designate (but in no event more than seven (7) days) to accept such Original Offer. Dogleg shall have no obligation to notify Brainstorm of any subsequent offer from the same Offeror in the event Brainstorm elects not to accept the ROFO unless the subsequent offer has terms or conditions more favorable to the Offeror than those of the Original Offer. In the event Brainstorm elects not to accept the ROFO and Dogleg receives an additional bona fide offer from a different Offeror, then Brainstorm shall have the same right under this section 10.9 to accept or reject the additional bona fide offer irrespective of whether the additional bona fide offer includes the same, similar or different terms and conditions as the Original Offer.

10.10 Binding on Successors. This Agreement binds and benefits the Parties' respective successors, assigns, legatees, heirs, executors, administrators, and personal representatives.

10.11 Survivability. Brainstorm's License and the Covenant Not to Sue will each survive any sale, transfer or License of the Patents by Dogleg to any other entity, whether voluntary or involuntary.

10.12 Court Approval. The Parties acknowledge that this Agreement is subject to, and its effectiveness is conditioned on, approval of the Bankruptcy Court (the date upon which final approval of the Agreement by the Bankruptcy Court has been obtained being the "Approval Date"), and further acknowledge that neither Party shall have any obligation under this Agreement prior to the Approval Date. If this Agreement has not been approved (in its current form without modification) by the Bankruptcy Court by August 29, 2016, Brainstorm may terminate this Agreement by written notice to Dogleg, in which case this Agreement shall not go into effect and neither party shall have any obligation under this Agreement.

EXECUTED in duplicate originals on the dates as noted below, the last of which shall be the Effective Date of this Agreement.

DOGLEG RIGHT CORPORATION

BRAINSTORM GOLF, INC.

Date: <u>8-15-16</u>	Date: <u>8-10-2016</u>
By: <u>[Signature]</u>	By: <u>[Signature]</u>
Title: <u>PRESIDENT & CEO</u>	Title: <u>CEO</u>

Date: _____
By: _____
Title: _____

Date: _____
By: _____
Title: _____

EXHIBIT A

U.S. Patent No. 7,004,852
U.S. Patent No. 7,189,169
U.S. Patent No. 7,344,450
U.S. Patent No. 7,828,672
U.S. Patent No. 8,177,662
U.S. Patent No. 8,491,413
U.S. Patent No. 9,011,269

Serial No. 14/602,422, filed January 22, 2015
Serial No. 14/826,379, filed August 14, 2015


VS


EXHIBIT A

To

**CERTIFICATE OF CORPORATE RESOLUTION
APPROVING THE PATENT AND LICENSE AGREEMENT**

A handwritten signature in black ink, consisting of a stylized 'A' followed by a circular flourish and a horizontal line extending to the right.

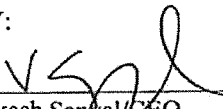
**CERTIFICATE OF CORPORATE RESOLUTION
APPROVING THE PATENT AND LICENSE AGREEMENT AS
SET FORTH BELOW**

I, Vikash Sanyal, CEO of Brainstorm Golf, Inc., organized and existing under the laws of the state of California and having its principal place of business at 14345 Engelmann Lane, Valley Center, CA 92082, hereby certify that the following is a true copy of a resolution adopted by the Board of Directors of the Corporation at a meeting via teleconference convened and held on August 10, 2016, at which a quorum was present and voting throughout and that such resolution is now in full force and effect and is in accordance with the provisions of the charter and by-laws of the Corporation.

RESOLVED: That the Corporation hereby approves the Patent License Agreement, Version 9, dated 8/9/16, by and between Dogleg Right Corporation of Plano, Texas, and Brainstorm Golf, Inc., attached hereto as Exhibit A; and further grants Vikash Sanyal the authority to sign said Agreement on its behalf.

I further certify that this Corporation is duly organized and existing, and has the power to take the action called for by the foregoing resolution.

BY:



Vikash Sanyal/CEO

8-10-2016
Date



EXHIBIT B

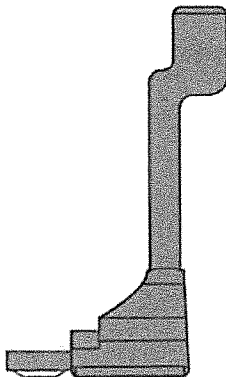
Happy Putter 2.0 Series (Prototype)

VS 

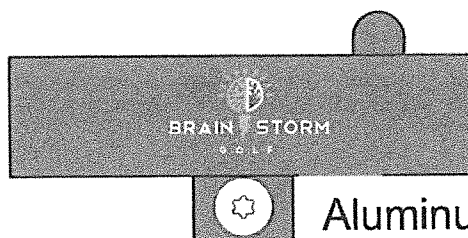
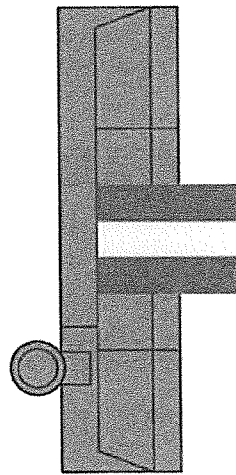
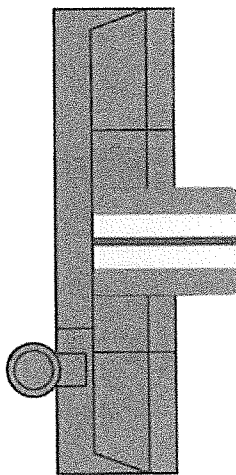
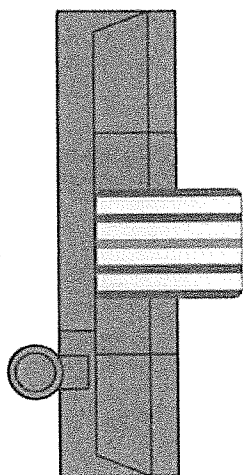
Happy Putter 2.1

EXHIBIT B.1

- 3 Plastic Alignment Guides
- LITE: Aluminum Screw
- HEAVY: Tungsten Screw



Three Alignment Guides



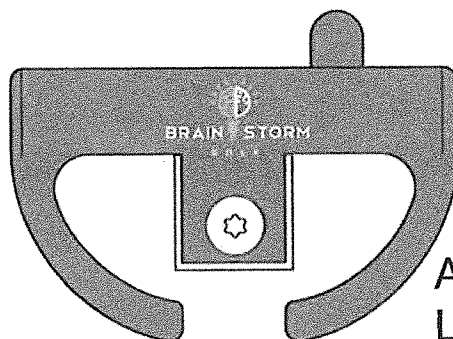
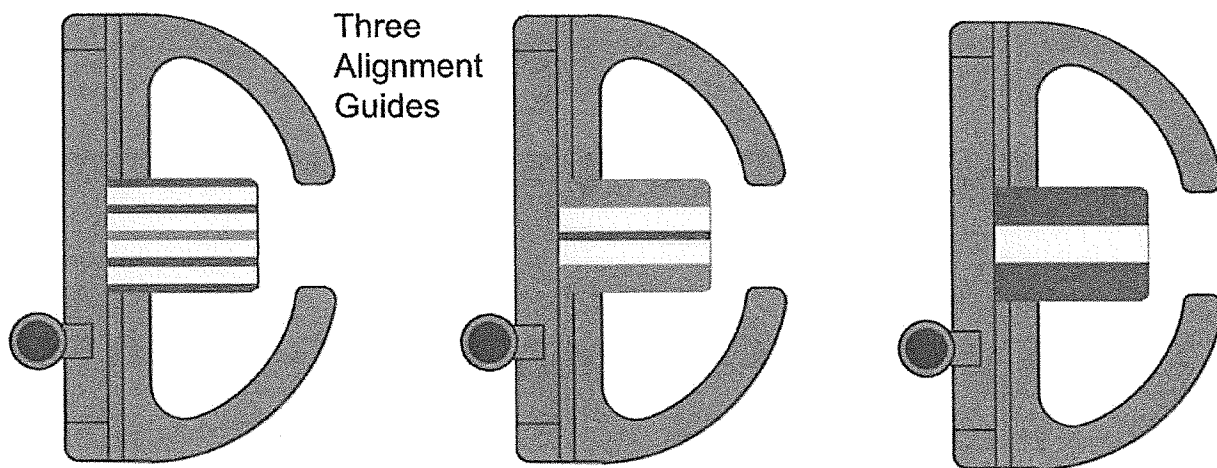
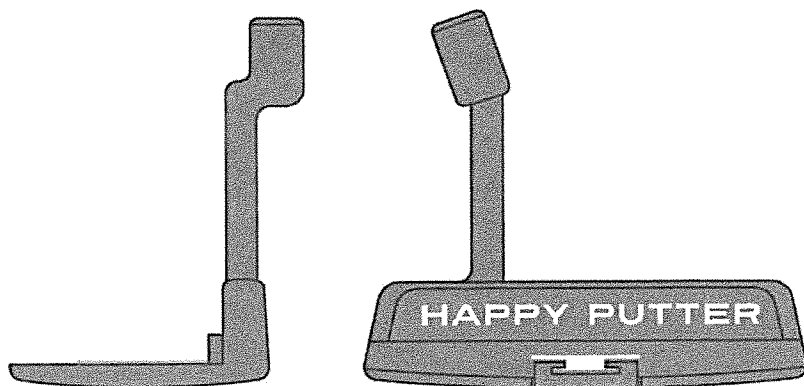
Aluminum and Tungsten Locking Screws

A handwritten signature or mark, possibly a stylized "B" or "S", located at the bottom right of the page.

Happy Putter 2.2

EXHIBIT B.2

- 3 Plastic Alignment Guides
- LITE: Aluminum Screw
- HEAVY: Tungsten Screw



Aluminum and Tungsten
Locking Screws

Label Matrix for local noticing
0540-4
Case 16-40885
Eastern District of Texas
Sherman
Wed Aug 17 20:46:09 CDT 2016

Birch Communications
(Cbeyond)
4835 Lyndon B. Johnson Fwy #900
Dallas, TX 75244-6001

CNC Associates, Inc.
2900 Challenger Place
Oxnard, CA 93030-7288

Capital One
PO Box 30825
Salt Lake City, UT 84130-0825

Citi
PO Box 6235
Sioux Falls, SD 57117-6235

Dogleg Right Partners, LP
1200 Placid Avenue, 300
Plano, TX 75074-8627

Elizabeth Price Estate
c/o Anne Billings 5205
Quail Creek Dr.
McKinney, TX 75070

Golfwrx Holdings, Inc.
1100 Oakwood Blvd.
Dearborn, MI 48124-2820

Humana
PO Box 14601
Lexington, KY 40512-4601

Kabbage Loans, LLC
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309-3918

Kenneth Maun/ Collin County Tax Assessor
920 E. Park Blvd.
Plano, TX 75074-5466

Kennington Properties
4514 Travis Street #312
PO Box 192269
Dallas, TX 75219-8516

Law Office of David H. Judson
15950 Dallas Parkway
Suite 225
Dallas, TX 75248-6634

Mason Deal Graphic Design
4242 Travis St. #112
Dallas, TX 75205-4809

Newark Element 14
300 S. Riverside Plaza
Suite 2200
Chicago, IL 60606-6765

PayPal, Inc.
Legal Department
2211 North First Street
San Jose, CA 95131-2021

Republic Group
5525 Lyndon B. Johnson Fwy
Dallas, TX 75240-6241

Plano - U. S. Bankruptcy Court
Suite 300B
660 North Central Expressway
Plano, TX 75074-6795

A. W. Chandler Estate
c/o Mrs. Nancy Chandler
4576 Claire Chennault, Ste. 207
Addison, TX 75001-5300

ASG Security
12301 Kiln Court Suite A
Beltsville, MD 20705-6308

Alfredo Velez
7879 Riverfall Drive
Apt. 260
Dallas, TX 75230-4743

America First Insurance Co.
115 Pleasant View Ct Bryant
Bryant, AR 72022-4069

American Express
PO Box 360001
Fort Lauderdale, FL 33336-0001

Anne P. Billings
5205 Quail Creek Dr.
McKinney, TX 75070-5315

Attorney General of Texas
Bankruptcy Reporting Contact
OAG/CSD/Mail Code 38
P.O. Box 12017
Austin, TX 78711-2017

Attorney General of Texas
Taxation Division - Bankruptcy
Box 12548 Capitol Station
Austin, TX 78711-2548

Bank Of Texas (Bank of Oklahoma)
333 W Campbell Rd
Richardson, TX 75080-3548

Bob Johnson
204 North Acres
Dallas, TX 75217-7982

Bob Nied
1105 San Antonio Ct.
Plano, TX 75023-2803

Bob Schmidt
996 Hancock Ave.
W. Hollywood, CA 90069

Borroughs Corporation
3002 N. Burdick St
Kalamazoo, MI 49004-3483

Burton Golf
2701 Emerywood Pkwy
Suite 101
Richmond, VA 23294-3722

C. Mitchell Cox
5 Stillforest St
Houston, TX 77024-7518

CNC Associates, Inc.
c/o SPENCER & MULALLY (TRM)
14156 Magnolia Boulevard, Suite 200
Sherman Oaks, California 91423
tom@ssmlaw.com 91423-1182

COLLIN COUNTY TAX ASSESSOR/COLLECTOR
C/O GAY MCCALL ISAACKS ET AL
777 E 15TH ST
PLANO TX 75074-5799

DFW Business Telephones, Inc.
1260 Shiloh Rd.
Plano, TX 75074-7007

Darryl Copeland, Jr
22 Harbor Island Drive
Key Largo, FL 33037-5112

David Billings
5007 N. Briar Ridge Circle
McKinney, TX 75070-5433

David P. Billings, Jr.
5007 N. Briar Ridge Circle
McKinney, TX 75070-5433

Delilah Club Covers & More
4812 Tippecanoe Dr
Evansville, IN 47715-3234

Duncan Disposal
1220 Dowdy Ferry Rd
Dallas, TX 75217

Elizabeth Price Estate (closed)
c/o Anne Billings 5205 Quail Creek Dr.
McKinney, TX 75070-5315

Euler Hermes N.A. agent for Liberty Power
800 Red Brook Blvd.
Owings Mills, MD 21117-5173

FedEx Corporation
942 S Shady Grove Road
Memphis, TN 38120-4117

Four Star Label Co
3640 Marquis Dr # A
Garland, TX 75042-7500

Gary Boston
1808 N. Ricketts St.
Sherman, TX 75092-3626

Home Depot
2455 Paces Ferry Rd NW
Atlanta, GA 30339

Howell S. Wynne
PO Box 8918
Rancho Santa Fe, CA 92067-8918

Infinity Stamps
8577 Canoga Ave
Canoga Park, CA 91304-2609

Internal Revenue Service -
Centralized Insolvency Operations
PO Box 7346
Philadelphia, PA 19101-7346

J. Fletcher
c/o Anne P. Billings
5205 Quail Creek
McKinney, TX 75070-5315

Jerry Englert, Estate
c/o Mrs. Connie Englert
PO Box 1709
Rancho Santa Fe 92067-1709

Jones Global Sports, LLC
Whitehorse Commercial Park 127 Route 206
Hamilton, NJ 08610-4315

Kenneth Maun / Collin County Tax Assessor
920 E Park Blvd
Plano, TX 75074-5466

Kennington Properties
Brenda T. Cubbage
Calhoun, Bhelia & Sechrest
325 N. St. Paul St.
Dallas, TX 75201-3873

Lazaro Saucedo
3113 Leanne Lane
Rowlett, TX 75088-4918

Lazy Cadeceus, LTD (Dominic Munafo)
Mr. Dominic Munafo
11908 Brewster Cour
San Diego, CA 92128-4317

Libby Coleman
4410 Cowan Ave.
Dallas, TX 75209-3802

Liberty Power
1901 W Cypress Creek Rd., #600
Fort Lauderdale, FL 33309-1847

MSC Industrial Supply
75 Maxess Road
Melville, NY 11747-3151

Metrol Courier
PO Box 142913
Irving, TX 75014-2913

Michael Martin
512 Bent Creek
Sherman, TX 75090-5284

Michelle Marlow Fojtasek
4656 Meadowood Rd.
Dallas, TX 75220-2015

Mike Pelto
214 Hemlock Dr.
Richardson, TX 75081-3907

Nancy Chandler
4576 Claire Chennault, Ste. 207
Addison, TX 75001-5300

PB Purchase Power
P.O. Box 371874
Pittsburgh, PA 15250-7874

PayPal, Inc., Legal Department
2211 North First Street
San Jose, CA 95131-2021

Pearce Precision Products
1115 Majestic Way
Wylie, TX 75098-7537

Phillip Goodwin
3 Woodberry Lane
Charleston, WV 25304-2732

Protection One
c/o Creditors Bankruptcy Service
P.O. Box 800849
Dallas, TX 75380-0849

Regal Brands dba Cropspete Sports
1300 Pioneer St # J
Brea, CA 92821-3728

Robert Martin
c/o Michael Martin
512 Bent Creek
Sherman, TX 75090-5284

Robert Schmidt
20445 Gramercy Place Ste #201
Torrance, CA 90501-1540

Ron Davis
c/o Miler Tayback
5956 Sherry Lane Pl., Ste. 1221
Dallas, TX 75225-8065

SEC
100 F Street, NE
Washington, DC 20549-2001

Serge Malkov
6220 Bentwood Trail
#1803
Dalla, TX 75252-5156

Stamps.com
1990 E. Grand Ave
El Segundo, CA 90245-5013

Stephen Bartholow
90 School Street
Haverhill, NH 03765-5438

Sunstate Equipment Co.
PO Box 52581
Phoenix, TX 85072-2581

Texas Comptroller of Public Accounts
C/O Office of the Attorney General
Bankruptcy - Collections Division
P.O. Box 12548
Austin, TX 78711-2548

Texas Workforce Commission
Office of Attorney Genl. -BK&Collectns
PO Box 12548, MC 008
Austin, TX 78711-2548

True Temper
8275 Tournament Dr.
Memphis, TN 38125-8881

Tyco SimplexGrinnell
1125 E Collins Blvd #100
Richardson, TX 75081-7218

US Trustee
Office of the U.S. Trustee
110 N. College Ave.
Suite 300
Tyler, TX 75702-7231

United States Attorney
110 North College Ave., Ste. 700
Tyler, TX 75702-0204

United States Trustee
110 North College Ave., Ste. 300
Tyler, TX 75702-7231

Howell S. Wynee
PO Box 8918
Rancho Santa Fe, CA 92067-8918

Robert Schmidt
20445 Gramercy Place
Ste. 201
Torrance, CA 90501-1540

Robert T. DeMarco
DeMarco-Mitchell, PLLC
1255 West 15th St., 805
Plano, TX 75075-7225

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)America First Insurance Co.
115 Pleasant View Ct Bryant
Bryant, AR 72022-4069

(d)Birch Communications (Cbeyond)
4835 Lyndon B Johnson Fwy #900
Dallas, TX 75244-6001

(d)Bob Johnson
204 North Acres
Dallas, TX 75217-7982

(d)CNC Associates, Inc
2900 Challenger Place
Oxnard, CA 93030-7288

(d)CNC Associates, Inc.
2900 Challenger Place
Oxnard, CA 93030-7288

(d)Capital One
PO Box 30825
Salt Lake City, UT 84130-0825

(d)Citi
PO Box 6235
Sioux Falls, SD 57117-6235

(d)Golfwrx Holdings, Inc.
1100 Oakwood Blvd
Dearborn, MI 48124-2820

(d)Humana
PO Box 14601
Lexington, KY 40512-4601

(d)Kabbage Loans, LLC
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309-3918

(d)Kenneth Maun/Collin County Tax Assessor
920 E. Park Blvd.
Plano, TX 75074-5466

(d)Kennington Properties
4514 Travis Street #312
PO Box 192269
Dallas, TX 75219-8516

(d)Law office of David H. Judson
15950 Dallas Parkway, Suite 225
Dallas, TX 75248-6634

(d)Mason Deal Graphic Design
4242 Travis St #112
Dallas, TX 75205-4809

(d)Newark Element 14
300 S. Riverside Plaza, Suite 2200
Chicago, IL 60606-6765

(d)Republic Group
5525 Lyndon B Johnson Fwy
Dallas, TX 75240-6241

(u)Time Warner Business (internet and phone
Gierka, Julianne <julianne.gierka

(d)Anne P. Billings
5205 Quail Creek Dr.
McKinney, TX 75070-5315

(d)C. Mitchell Cox
5 Stillforest St.
Houston, TX 77024-7518

(d)Darryl Copeland Jr.
22 Harbor Island Drive
Key Largo, FL 33037-5112

End of Label Matrix
Mailable recipients 88
Bypassed recipients 20
Total 108