

10-17-2003

Form PTO-1595

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Bill Fleeman

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☐ Security Agreement ☐ Change of Name
- ☒ Other Mutual Release and Settlement Agreement

Execution Date: 03/12/2002

## 2. Name and address of receiving party(ies)

Name: Pepe Guerra, Trustee

Internal Address: \_\_\_\_\_

Street Address: 5313 S. McCollCity: Edinburg State: TX Zip: 78572Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s) 10/253982B. Patent No.(s) 6616169, 65238506523849, 6505848, 6419259, 6367834Additional numbers attached? ☐ Yes ☒ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

Name: George S. GrayInternal Address: Suite 300Street Address: 5262 S. StaplesCity: Corpus Christi State: TX Zip: 784116. Total number of applications and patents involved: 77. Total fee (37 CFR 3.41).....\$ 280

- ☒ Enclosed
- ☐ Authorized to be charged to deposit account

## 8. Deposit account number:

DO NOT USE THIS SPACE

## 9. Signature.

George S. Gray

Name of Person Signing

[Signature]

Signature

10/10/03

Date

Total number of pages including cover sheet, attachments, and documents: 14

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

10/16/2003 LNUELLER 00000126 10253982

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PATENT  
REEL: 014588 FRAME: 0008

CAUSE NO. 01-61240-3

DAVID R. BROWN	§	IN THE COUNTY COURT
	§	
V.	§	AT LAW NUMBER THREE
	§	
D.R. BROWN CORPORATION and	§	NUECES COUNTY, TEXAS
BILL FLEEMAN	§	

MUTUAL RELEASE AND SETTLEMENT AGREEMENT

1. **Parties to the agreement.** The following are parties to this agreement:
  - a. "The Brown Interest," meaning David Brown, Linda Brown, Danny Brown, and Stacy Brown;
  - b. D.R. Brown Corporation, referred to as "the Corporation";
  - c. Bill Fleeman;
  - d. Pepe Guerra; and
  - e. the shareholders of the Corporation who sign this agreement or who become parties to this agreement. A shareholder who wishes to become a party to this agreement shall completely fill out, execute, have notarized, and return a Shareholder Agreement Form (in the form on page 11 of this agreement) to Pepe Guerra at P.O. Box 3527, Alice, Texas 78333, within 30 days of the effective date of the agreement.
2. **Purpose of the agreement.** Various disputes have arisen concerning the Corporation, its stock, its debts, its assets, and its operation and among the Corporation, its former officers, its creditors, and its stockholders. These are just examples of the disputes that have arisen concerning the Corporation and not a complete description of the disputes this agreement is intended to resolve. This agreement is intended to resolve all disputes between or among the

parties to this agreement which concern in any way whatsoever this agreement or the Corporation or both.

3. **Agreement to sale of the Corporation's assets.** D.R. Brown Corporation and the shareholders who sign this agreement approve the sale of all or substantially all of the Corporation's assets.

4. **Assets that will be used to fund this settlement.** The Brown Interest, Bill Fleeman, and D.R. Brown Corporation—one or more of whom claimed an interest in the pending patents for the trailer coupler, the "Bar 2" trademark, the right to use the pending patents, and the dies for the trailer coupler components—agree that the pending patents for the trailer coupler, the "Bar 2" trademark, the License agreement for the pending patents, and the dies for the trailer couplers - shall all be attempted to be sold and any proceeds distributed under this agreement.

5. **Appointment of trustee to hold assets for sale.** The parties appoint Pepe Guerra as trustee of the pending patents for the trailer coupler, the "Bar 2" trademark, the right to use the pending patents, and the dies for the trailer coupler components. Pepe Guerra shall hold the assets as trustee for the benefit of the parties to this agreement, and he is authorized to distribute the proceeds of the sale of the assets according to the terms of this agreement. The trustee is also authorized to borrow money if necessary to administer this agreement and to agree to pay a higher rate of interest if necessary to secure the required funding. If at any time Pepe Guerra cannot serve as trustee and the parties cannot agree on a trustee, then the parties agree that the County Court at Law No. 3 of Nueces County, Texas, shall choose the trustee. The trustee shall send each shareholder of the Corporation a copy of this agreement within seven days after the effective date of this agreement.

6. **Appointment of an arbiter.** In the event that any parties cannot agree on any dispute relating in any way whatsoever to this agreement or relating to any dispute between any parties to this agreement, then any party to this agreement may apply to the County Court at Law No. 3 of Nueces County, Texas, for appointment of an arbiter to resolve the dispute in the County Court No. 3 of Nueces County, Texas. The arbitration shall be held in Jim Wells County, Texas, within twenty-one days of the date of the appointment of the arbiter. The arbiter shall render a decision within seven days of the arbitration hearing. The parties agree to arbitration pursuant to the terms of this agreement, and waive resort to judicial process, of any dispute relating in any way whatsoever to this agreement or relating to any dispute between any parties to this agreement; the arbiter's decision on such matters shall be final. The parties to the arbitration shall each pay one half of the arbitration fees prior to the arbitration and the losing party or parties to the arbitration shall reimburse the prevailing party or parties to the arbitration, as determined by the arbiter.

7. **Priority of distribution of sale proceeds.** Stockholders who do not become parties to this agreement are entitled to no distribution under the agreement. The cash proceeds of the sale shall be distributed as follows:

a. **First priority.** The reasonable expenses of the trustee, any taxes owed by Corporation, any attorney fees or expenses of patent attorney George Gray, and any finder's fee shall be paid first out of any cash proceeds.

b. **Second priority.** After payment in full of first-priority obligations, the remaining cash proceeds shall be used to pay the Corporation's trade payables and notes.

c. **Third priority.** A stockholder owning paid-for shares (shares purchased for one-dollar cash per share) at the time of signing this agreement or Shareholder Agreement Form shall

elect to become either a third priority or a fourth priority shareholder but not both. A paid-for stockholder whose number of shares is not stated in this agreement shall state the number of paid-for shares owned at the time the stockholder signs this agreement, and the number of shares claimed is subject to verification by the trustee and, if necessary, arbitration pursuant to the terms of this agreement. After payment in full of second-priority obligations, the remaining cash proceeds shall be used to repay the third-priority paid-for stockholders at one-dollar per share until they have been repaid one-dollar per share for every paid-for share such stockholders own. David Brown owns 25,000 shares of paid-for stock pursuant to transfer from the Shawns. He may elect either third priority or fourth priority status for these 25,000 shares; the Browns' remaining shares shall be used to calculate any distribution under § 7.d. Any share for which a paid-for shareholder has been paid a dollar pursuant to this agreement shall be tendered back to the Corporation.

d. **Fourth priority.** After payment in full of third-priority obligations, 50% of the remaining cash proceeds shall be distributed 50% to the fourth priority shareholders until they have been repaid one-dollar per share for their paid-for shares and 50% shall be distributed to Bill Fleeman. Once the paid-for shareholders have been paid one-dollar per share for their paid-for shares, the remaining cash and non-cash proceeds shall be distributed to the fourth priority stockholders and to the Brown Interest in proportion to their ownership in the Corporation as evidenced by the number of shares owned at the time of the distribution of the proceeds. The Corporation shall receive no distribution under this section for any shares held by the Corporation, and shares held by the Corporation shall not effect the calculation of any distribution under this section. By way of example only, if the fourth-priority stockholders own three shares of paid-for stock and the Brown Interest owns seven shares of stock at the time of

distribution of the proceeds, the first six dollars of proceeds would be split three dollars to the fourth-priority shares (which would repay them in full for their shares) and three dollars to the Brown Interest; any remaining cash and non-cash proceeds would then be split 30% to the fourth priority-shares and 70% to the Brown Interest.

e. **Distribution of the Brown Interest.** David Brown, Linda Brown, Danny Brown, and Stacy Brown, combined, own a total of 3,366,517 shares in the corporation (which do not include the 25,000 shares of paid-for stock referred to in ¶ 7.c), and this number of shares will be used to determine any distribution under ¶ 7.d. Any distribution under ¶ 7.d as a result of those shares, if any distribution is made to any shareholder under ¶ 7.d, will be distributed 100% to Bill Fleeman.

8. **No further stock to be issued.** The Corporation warrants that it has issued no new shares of stock since June 1, 2001, and that it will not issue any new shares of stock to any person, nor will the Corporation issue or transfer currently held treasury shares, if any, to any person.

9. **Waiver and release of other claims.** The parties intend that this agreement resolve all disputes that might exist among or between themselves relating in any way to this agreement or the Corporation or both. Each party to this agreement hereby waives any claim the party may have against any other party to this agreement based upon conduct occurring before the signing of this agreement. Each party to this agreement releases every other party to this agreement from any and all claims or causes of action of any kind whatsoever that the party has or might have, known or unknown, now existing or that might arise in the future, directly or indirectly related to the Corporation or this agreement or both, it being intended that this agreement release all claims of any kind which a party might have against any other party or parties, whether or not the claim has been made prior to the signing of this agreement or has been reduced to judgment, to the

extent such claims are based wholly or partly on conduct occurring prior to the signing of this agreement. For example and not by way of limitation, the stockholder parties agree to release the Corporation and the Corporation's current and former directors, officers, and employees from any claims for securities violations or mismanagement of the Corporation; the Corporation agrees to release its current and former officers from any claims for mismanagement; the Brown Interest agrees to release the Corporation and its current management from any claims for mismanagement or payment of past due salary; and Bill Fleeman and the Browns agree to transfer their rights and interests in the pending patents, including the right to use the pending patents, to Pepe Guerra as trustee under this agreement.

10. **Release of trustee from liability.** The parties hereby release Pepe Guerra, or any other person who may serve as trustee of the assets to be sold under this agreement, from all liability whatsoever related to any decision, act, or omission committed in his capacity as trustee, including his own negligence. This release of liability does not release Pepe Guerra, or any other person who may serve as trustee of the assets to be sold under this agreement, from liability for any intentional or grossly negligent decision, act, or omission.

11. **No contest clause.** Any party to this agreement, or any non-party claiming to be a third-party beneficiary of this agreement, who resorts to a court to challenge this agreement or to resolve a dispute involving a party to this agreement shall forfeit any rights such party or non-party may have under this agreement. This clause does not apply to any application for appointment of an arbiter or of a trustee in County Court No. 3 of Nueces County, Texas, pursuant to this agreement.

12. **Finder's fee.** A shareholder who first contacts or contacted the eventual buyer of the pending patents mentioned in this agreement shall be entitled to a finder's fee of 3% of the gross

proceeds of the sale. David Brown is authorized to solicit offers to purchase the assets. The trustee may designate other persons in addition to David Brown who are authorized to solicit offers to purchase the assets. No shareholder may contact a potential buyer who has already been contacted by another shareholder. The trustee shall have the authority to accept the offer to purchase the assets that is in the best interests of the parties to this agreement. Before accepting any offer, the trustee shall notify Bill Fleeman, Peter McBride, David Brown, and the Corporation by telephone, fax, or in person of an offer the trustee intends to accept to allow them at least two calendar days to comment on the offer.

13. **Execution of necessary documents.** Every party to this agreement agrees to execute whatever documents may be required to facilitate or give effect to the terms of this agreement, the administration of this agreement, the sale of the assets, the distribution of the proceeds under this agreement, and/or the party's obligations under this agreement. This provision of the agreement is subject to the arbitration provision of the agreement. The Corporation and the Browns agree to entry of a judgment in Cause 01-61240-3 in the County Court at Law No. 3 of Nueces County, Texas, which establishes ownership of the patent rights in Bill Fleeman pursuant to his prior foreclosure.

14. **Authority to sign the agreement.** Each person executing this agreement and each shareholder who becomes a party to this agreement warrants that he or she has read this agreement and fully understands it, that he or she is of legal age and legally competent to execute this agreement or the attached shareholder agreement, that he or she is legally authorized to sign the agreement or the attached shareholder agreement on behalf of the person or entity he or she is signing for if not signing for himself or herself, and that he or she has executed this agreement or the attached shareholder agreement of his or her own free will and accord without reliance on



any representation of any kind not expressly contained in this agreement or the attached shareholder agreement, including but not limited to representations by a party or a party's attorney.

15. **Multiple originals.** This agreement may be executed in multiple originals.

16. **Entire agreement.** This agreement constitutes the entire agreement among the parties to the agreement and no agreement among the parties to this agreement concerning any subject of the agreement has been made except as set forth in the agreement.

17. **When agreement becomes effective.** This agreement becomes effective upon its execution by the Corporation, David Brown, Bill Fleeman, and Pepe Guerra. It shall be effective as to any other shareholder upon that shareholder's execution of the agreement or completion and return of the shareholder's Shareholder Agreement Form. Each shareholder at the time he or she signs the agreement or Shareholder Agreement Form shall provide an address at which the shareholder authorizes any notices to be sent to the shareholder concerning the Corporation or this agreement.

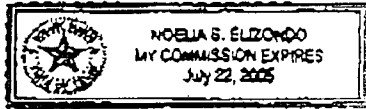
SIGNED BY:

  
D.R. BROWN CORPORATION, BY  
AUTHORIZED REPRESENTATIVE

Peter McBride, Chairman  
(NAME OF REPRESENTATIVE)

Before the undersigned notary personally appeared Peter McBride  
(name of representative) who, upon being duly sworn, deposed and said that he or she executed the foregoing agreement on behalf of the corporation for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this 1st day of March, 2002.



Noelia S. Elizondo  
Texas Notary Public

BILL FLEEMAN

Before the undersigned notary personally appeared Bill Fleeman who, upon being duly sworn, deposed and said that he executed the foregoing agreement for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Texas Notary Public

DAVID BROWN

Before the undersigned notary personally appeared David Brown who, upon being duly sworn, deposed and said that he executed the foregoing agreement for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Texas Notary Public

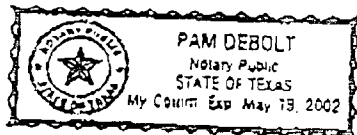
Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Texas Notary Public

*Bill Fleeman*  
BILL FLEEMAN

Before the undersigned notary personally appeared Bill Fleeman who, upon being duly sworn, deposed and said that he executed the foregoing agreement for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this 12<sup>th</sup> day of March, 2002.

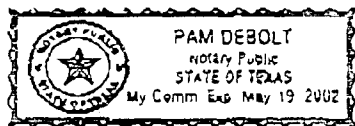


*Pam DeBolt*  
Texas Notary Public

*David Brown*  
DAVID BROWN

Before the undersigned notary personally appeared David Brown who, upon being duly sworn, deposed and said that he executed the foregoing agreement for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this 12<sup>th</sup> day of March, 2002.

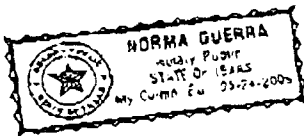


*Pam DeBolt*  
Texas Notary Public

Jose L. Guerra  
PEPE GUERRA

Before the undersigned notary personally appeared Pepe Guerra who, upon being duly sworn, deposed and said that he executed the foregoing agreement for the purposes and consideration expressed in the agreement.

Subscribed and sworn to before me this 8th day of March, 2002.



Norma Guerra  
Texas Notary Public

### SHAREHOLDER AGREEMENT FORM

The undersigned shareholder hereby acknowledges receipt of the foregoing Mutual Release and Settlement Agreement and wishes to become a party to the Mutual Release and Settlement Agreement and agrees to be bound by the Mutual Release and Settlement Agreement.

The undersigned shareholder is the current owner of \_\_\_\_\_  
(number of shares) shares of paid-for stock in D.R. Brown Corporation and hereby elects  
☐ Third Priority or ☐ Fourth Priority status (select only one) for these shares.

The undersigned shareholder directs that he or she be sent notices concerning the Mutual Release and Settlement Agreement to the following address:

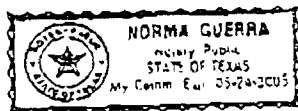
Address Line 1: \_\_\_\_\_  
Address Line 2: \_\_\_\_\_  
City: \_\_\_\_\_  
State and Zip: \_\_\_\_\_

SIGNED BY \_\_\_\_\_ (print name of shareholder)

Jose L. Guerra  
SHAREHOLDER'S SIGNATURE

Before the undersigned notary personally appeared Jose L. Guerra  
(name of shareholder) who, upon being duly sworn, deposed and said that he or she  
executed the foregoing agreement for the purposes and consideration expressed in the  
agreement.

Subscribed and sworn to before me this 8th day of March, 2002



Norma Guerra  
Texas Notary Public