

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA

Crim. No. 3:18CR28(JAM)

v.

BARTON STUCK

January 31, 2019

**GOVERNMENT’S MEMORANDUM CONCERNING
DEFENDANT’S PRIOR RELEVANT CONDUCT**

The Government submits this memorandum in connection with the upcoming sentencing of defendant Barton Stuck to set forth its position on his prior relevant conduct and its effect on Guidelines loss calculations. Stuck’s fraudulent activity pre-dating the indictment period (2015-16) falls within the Guidelines’ definition of “relevant conduct.” Taking that conduct into account, the preponderance of the evidence demonstrates that Stuck caused his victims approximately \$8,819,909 in loss under the Guidelines.

I. BACKGROUND

On October 25, 2018, Stuck pled guilty to the four-count Indictment charging wire fraud (Count One), § 1957 money laundering (Count Two), and false statements to the United States Securities and Exchange Commission (Counts Three & Four). While all of Stuck’s conduct is relevant to the Court’s sentencing analysis, only Count One led to a pecuniary loss.

The Indictment charged that Stuck controlled a group of “Signal Lake” entities, which purported to be venture capital funds investing in technology companies, including InPhase Technologies, Inc., which eventually failed. Indictment [Dkt. #1] ¶¶ 2-4. In order to enrich himself and prevent his scheme from being discovered, Stuck made misrepresentations to investors about the Signal Lake funds and the portfolio companies in which they were invested. *Id.* ¶¶ 7-8. Specifically, Stuck lied about the financial health and anticipated returns of these entities. *Id.*

While the charged fraud scheme extended from 2015 to 2016, *id.* ¶ 6, the evidence shows that Stuck had perpetrated this same scheme for more than a decade. In summary, Stuck solicited investments from numerous victims using false information or promises about at least three categories of important facts concerning Signal Lake. *First*, Stuck deceived investors about the maturity and success of the Signal Lake portfolio companies, principally InPhase; for example, Stuck misled prospective investors to believe that InPhase had actual sales or customers, or was certain to return short-term profits. *Second*, Stuck misrepresented that he was personally investing in Signal Lake; for example, Stuck made false claims to be investing his own money or offering to match a prospective investor's contribution. *Third*, Stuck misrepresented the likelihood of other large investments in Signal Lake; for example, Stuck falsely claimed that reputable or mystery investors were soon to make multi-million dollar investments in Signal Lake in order to convince victims to invest their own money. Over a number of years, Stuck used each of these techniques to dupe dozens of victims and cause millions of dollars of loss.

The parties have stipulated that “[f]or Guidelines calculations purposes only, the total amount of actual or intended loss attributable to the defendant’s offense under U.S.S.G. §2B1.1(b)(1) is between \$50,000 and \$3,500,000.” Plea Agreement [Dkt. #37] at 5.

II. LOSS ANALYSIS

Here, there are two categories of loss for the Court to consider: *first*, the loss Stuck caused the FBI in the specific execution of his fraud in Count One; and *second*, the loss caused to Signal Lake investors by Stuck’s prior relevant conduct—*i.e.*, executions of fraud that were the same course of conduct as, or a common scheme with, the fraud to which Stuck pled guilty.

The measure of “loss” in this case is “actual loss,” or “the reasonably foreseeable pecuniary harm that resulted from the offense.” U.S.S.G. § 2B1.1 App. N. 3(A)(i). In calculating loss under

the Guidelines, the sentencing court need only make a “reasonable estimate of the loss.” U.S.S.G. § 2B1.1 App. N. 3(C); *see also United States v. Coppola*, 671 F.3d 220, 249-50 (2d Cir. 2012). “[F]actual findings at sentencing need be supported only by a preponderance of the evidence.” *United States v. Martinez*, 862 F.3d 223, 246 (2d Cir. 2017). The Court may consider even uncharged conduct that meets this evidentiary standard. *United States v. Aldeen*, 792 F.3d 247, 254 (2d Cir. 2015).

The Court may use all of a defendant’s “relevant conduct” to calculate the applicable Guidelines sentence, including acts and omissions “that were part of the [(i)] same course of conduct or [(ii)] common scheme or plan as the offense of conviction.” U.S.S.G. § 1B1.3(a)(2). As a practical matter, “same course of conduct” and “common scheme or plan” overlap here. Uncharged executions of a fraudulent scheme are part of “the same course of conduct [as the count of conviction] if they are sufficiently connected or related to each other as to warrant the conclusion that they are part of a single...ongoing series of offenses.” U.S.S.G. § 1B1.3 App. N. 5(B)(ii); *see also United States v. Perdomo*, 927 F.2d 111, 115 (2d Cir. 1991) (“The ‘same course of conduct’ concept...looks to whether the defendant repeats the same type of criminal activity over time. It does not require that acts be ‘connected together’ by common participants or by an overall scheme.”). Uncharged instances of fraud are part of a “common scheme or plan” with the count of conviction so long as they are “substantially connected to each other by at least one common factor, such as common victims, common accomplices, common purpose, or similar *modus operandi*.” U.S.S.G. § 1B1.3 App. N. 5(B)(i). For example, the Second Circuit in *United States v. Brennan*, 395 F.3d 59, 70 (2d Cir. 2005), found a defendant’s bankruptcy fraud and criminal contempt were part of the “same course of conduct” because both “involved concealing, laundering, investing, and using of [his] assets for [his] own purposes without the knowledge or

consent of the bankruptcy estate or [his] judgment creditors,” whereas in *United States v. Butler*, 970 F.2d 1017, 1025 (2d Cir. 1992), the Second Circuit suggested that acts of arson and assault in aid of a scheme of extortion against a single victim, though different in kind, could comprise a “common scheme or plan.”

A. Loss Attributable to Stuck’s Fraud in Count One

Under U.S.S.G. § 1B1.3(a)(1)(A), loss includes that caused by “all acts and omissions committed...or willfully caused by the defendant...that occurred during the offense of conviction.”

Count One charged that Stuck fraudulently solicited a prospective investor who was actually an undercover FBI agent. In response to complaints by Signal Lake investors, the FBI launched an investigation and introduced an undercover agent to Stuck, purportedly considering purchasing a \$500,000 interest in Signal Lake from an existing investor named Dana Horne. In their initial meeting—after seeking to dupe the undercover agent into becoming a Signal Lake investor by guaranteeing repayment by the end of the year of twice the amount invested (*i.e.*, a \$1 million) based on a fictitious \$200 million in a specific bank account—Stuck solicited a \$50,000 repayable fee from the undercover agent, supposedly to cover Signal Lake’s accounting and legal expenses for the transfer from Horne. Indictment ¶¶ 9-10. On October 2, 2015, at Stuck’s instruction, the undercover agent wired the \$50,000 fee to a Signal Lake bank account controlled by Stuck. That money was not used on accounting or legal expenses.

Accordingly, under U.S.S.G. §§ 1B1.3(a)(1)(A), Stuck is responsible for that \$50,000 of loss.

B. Loss Attributable to Stuck’s Prior Relevant Conduct

Stuck’s fraud against Signal Lake investors pre-dating Count One falls within the Guidelines’ definition of relevant conduct under U.S.S.G. § 1B1.3(a)(2).

First, as detailed below, Stuck's prior fraud was part of the same "course of conduct" as the fraud to which he pled guilty, in that he was "engaged in a repeated pattern of similar criminal acts." *Brennan*, 395 F.3d at 70. Specifically, just as in Count One, Stuck "misrepresented material facts regarding the financial health and anticipated returns of the Signal Lake entities and their portfolio companies" to investors for his own benefit and to lull his victims. Indictment ¶¶ 7-8.

Second, as shown below, Stuck's prior fraud was also part of a "common scheme or plan" with Count One. Specifically, Stuck's earlier lies and those associated with Count One were "substantially connected to each other by at least one common factor," including "common victims" (*i.e.*, Signal Lake investors), "common purpose" (*i.e.*, to profit Stuck and lull his victims), and "similar *modus operandi*" (*i.e.*, "misrepresent[ing] material facts regarding the financial health and anticipated returns of the Signal Lake entities and their portfolio companies").

Accordingly, the Court should regard losses caused by Stuck's fraud scheme prior to 2015 as relevant conduct and include the resulting losses in calculating the applicable Guidelines.

1. Losses Attributable to Specific Misrepresentations That Are Part of Stuck's Prior Relevant Conduct

The most restrictive version of loss caused by Stuck's prior relevant conduct are the investments based on his specific misrepresentations. Although the Court's loss analysis need not be that narrow, even that measure of loss far exceeds \$1.5 million:

Investment Date	Victim	Loss (Investment Less Any Recovery)
2006-2007	38 investors in Signal Lake Top Prospects of Wisconsin LLC	approx. \$3,200,000
3/26/2008	Iqbal Husain (Khan-Husain Living Trust)	\$250,000
5/15/2008 8/1/2008	Bruce MacFarlane (Rebel Forces Holdings LLC)	\$150,000
9/3/2008 2/13/2009 9/4/2009 9/14/2009	Anthony DiCaprio (Dakota Partners LLC)	\$500,000
9/20/2010	Suhas & Jayashree Suhas Patil	\$100,000
9/16/2010	Sabeer Bhatia	\$250,000
11/23/2010	Jerry Goldstone	\$200,000
1/25/2011 2/18/2011	Jan Loeber (Jan Loeber Living Trust)	\$151,000
4/25/2011	Steven O'Hanlon	\$50,000
		\$4,851,000

What follows is a summary of Stuck's conduct concerning each of these victims, which establishes that their losses resulted from the same course of conduct as, or a common scheme with, the fraud to which Stuck pled guilty in Count One.

38 investors in Signal Lake Top Prospects of Wisconsin LLC

Notwithstanding its name, Signal Lake Top Prospects of Wisconsin was not one of Stuck's Signal Lake funds, but an entity established by investment advisors David Braeger and David SaoMarcos for the special purpose of pooling individuals' money to be invested with Stuck. Stuck required Braeger and SaoMarcos to assemble at least \$1 million of investments in Signal Lake Top Prospects, which itself was invested in three portfolio companies, InPhase, CorEdge and Soma. Ex. 1 (SaoMarcos Interview Memo) at 1; Ex. 2 (Braeger 12/4/14 Interview Memo) at 1. Based on

Stuck's solicitations, Braeger and SaoMarcos eventually found 38 investors who contributed a total of approximately \$3.2 million, all invested with Stuck in installments over an 18 month period in 2006 and 2007. Ex. 1 at 1. One such investor, Dana Horne, eventually participated in the FBI's undercover operation.

To induce Braeger and SaoMarcos to locate investors and induce those investors to give him money, Stuck lied about Signal Lake's portfolio companies. These misrepresentations were made during sales presentations and dinners to prospective investors in La Jolla, California (Ex. 3 (Horne Interview Memo) at 1), and Wisconsin (Ex. 4 (Braeger 1/25/15 Interview Memo) at 1).

Stuck falsely claimed that the Signal Lake primary portfolio company, InPhase, "was currently doing business with classic movies and several hospitals" (Ex. 2 at 2), had "existing products in place" (Ex. 3 at 1), and in the future "was going to be used to store data for Headline News and Turner Movie Classics" (Ex. 4 at 1). Stuck claimed that the three companies were "the best" (Ex. 1 at 1), "home runs," and "at the finish line" (Ex. 4 at 1). Stuck stated that they would soon be sold, resulting in profits of "3-4 times, but most likely 10 times, monies that were invested with him ... in one year" (Ex. 3 at 1), or "5-10 times their investment, within approximately one year" (Ex. 2 at 2), or "15-20 times their investment, within a 'couple of years or less'" (Ex. 1 at 1). This pattern, where Stuck misrepresented the status of portfolio companies and made grandiose promises of certain profits by Signal Lake, would continue long after 2006.

The Government does not believe that any of the Signal Lake Top Prospects of Wisconsin investment was returned, making the Guidelines loss to its 38 investors \$3.2 million.

Husain

Iqbal Husain, investing through the Khan-Husain Living Trust, invested \$250,000 in Signal Lake Side Fund in March 2008. Husain's victim impact statement reports that he invested "based on Stuck's statements." Ex. 5. Specifically, Stuck once again "represented that the primary

company (InPhase) that this fund was invested in, was shipping product and was on course to get about \$100M in revenue in 2008.” *Id.* This is corroborated by emails that Stuck wrote to Husain on March 31, 2008 (“Just had an InPhase Board meeting: on track to ship small quantities in 2Q2008, and ramp to larger numbers per plan for rest of 2008.”) (Ex. 6) and May 22, 2008 (“InPhase ... is now shipping product and on track to \$100M in 2008”) (Ex. 7).

Husain also received a February 2008 presentation from Stuck, entitled “Signal Lake Top Prospects Fund 2: Overview,” misrepresenting the state of InPhase, which it calls a “later stage high-performing” company with “strong revenue growth.” Ex. 8 at 3. A later slide described the history of InPhase as “commercialized sales beginning second half 2006” and noted “December 2006 first commercial product shipment” to “Turner Broadcasting.” *Id.* at 16. Two slides later, Stuck included pictures of InPhase’s product. *Id.* at 18.

Husain reports that he lost his entire investment (Ex. 5)—which is consistent with the Government’s information—making his Guidelines loss \$250,000.

MacFarlane

Bruce MacFarlane, through Rebel Forces Holdings LLC, invested \$150,000 with Stuck between May and August 2008.

In his victim impact statement, MacFarlane states that Stuck was a “[t]otal fraudster—also agreed and committed to put his own money into investments, but never did.” Ex. 9. This allegation is corroborated by the February 2008 presentation submitted by Husain, discussed above. On page 3 of that presentation, Stuck reported that “Signal Lake GPs are committing \$2 million in this fund.” Ex. 8. In other words, Stuck claimed that he and his business partner would invest millions alongside his victims. The Government has located no evidence that the Signal Lake general partners invested \$2 million in Signal Lake Top Prospects Fund.

MacFarlane reports that he lost his entire investment (Ex. 9)—which is consistent with the

Government's information—making his Guidelines loss \$150,000.

DiCaprio

Anthony DiCaprio was a complainant and witness against Stuck in the State of Connecticut Department of Banking proceeding. DiCaprio invested through Dakota Partners LLC.

According to DiCaprio's complaint letter (Ex. 10), in 2008, Stuck solicited a \$250,000 investment based on misrepresentations concerning InPhase, including:

- InPhase, the primary Signal Lake portfolio company at the time, "had entered into important partnerships with major international companies, Maxell and Bayer." *Id.* at ¶ 6.
- "InPhase's products were not experimental[.]" *Id.*
- "[T]he company had already entered into a business relationship with Turner Broadcasting[.]" *Id.*
- "[T]he company ... was on the verge of bulk sales that would generate tens of millions of dollar of profits." *Id.*
- Stuck "was raising \$30,000,000 in private equity investments, seventy percent (70%) of which would be invested in InPhase." *Id.* at ¶ 7.
- "[T]he company had a value of \$150,000,000 as of that date in July [2008] and that the company would have a value of \$2,000,000,000 at some point due to the overwhelming demand." *Id.*

In late August and September 2009, Stuck lied about InPhase's and Signal Lake's prospects to convince DiCaprio to invest another \$250,000, as follows:

- "In Stuck own words, it was time to 'pile on' the investment, because InPhase was not only close to exploding, but Stuck had new capital commitments for Signal Lake totaling in excess of \$75 Million." *Id.* at ¶ 9.
- "Stuck stated that InPhase's ability to realize large scale commercial sales merely required capital and that Signal Lake had plenty of cash to accomplish this." *Id.*
- "On August 27, 2009, Stuck told [DiCaprio] over the telephone that Signal Lake had negotiated an investment with 'Louie Drefus' totaling \$150 Million, \$75 Million of which would be paid the following week." *Id.* at ¶ 10.
- In August 31, 2009 emails, in response to DiCaprio's statement that "the funding is the most important point for me," Stuck wrote, "[W]e are about to draw down \$50M of commitment THIS WEEK[.] An additional \$25M minimum will be drawn down by end of the year...." *Id.* at ¶ 12-13; Ex. 11 (8/31/09 email).
- In a September 2, 2009 email, Stuck wrote, "Checking on your decision: Matra and

Dassault and two other investors will adding another \$75M to Signal Lake in the October time frame, just got off the phone on this[.]” Ex. 10 at ¶ 15; Ex. 12 (9/2/09 email).

- In that same email conversation, Stuck confirmed that “new money coming in will be Dreyfus \$75M and another \$75M next year Matra and Dassault and 2 other investors in October \$75M.” Ex. 10 at ¶ 15; Ex. 12 (9/2/09 email).
- In a September 11, 2009 email, Stuck falsely stated, “Wire hit at 9:42AM to Signal Lake bank account for \$11M[.] Can you handle your wire of remaining capital commitment?” Ex. 10 at ¶ 18; Ex. 13 (9/11/09 email).
- “In a telephone conversation later that day, Stuck again [falsely] told [DiCaprio] that the major investor’s \$11 Million had actually been received, filling out [Signal Lake Side Fund II] at \$25 Million and that Signal Lake had received investments totaling \$75 Million.” Ex. 10 at ¶ 18.

DiCaprio reported to State Banking that he lost his entire investment (*id.* at 1)—which is consistent with the Government’s information—making his Guidelines loss \$500,000.

Patil/Bhatia

In September 2010, Stuck fraudulently solicited a “bridge loan” from existing Signal Lake investors (1) Suhas S. Patil and Jayashree Suhas Patil and (2) Sabeer Bhatia.¹

According to the Patils’ victim impact statement, Stuck solicited short-term financing from the Patils and Bhatia on the pretense that a “major commitment of funds for InPhase from a major investor” was imminent. Ex. 14. On September 20, 2010, the Patils loaned Signal Lake Side Fund II LP \$100,000, which—under the Loan Agreement drafted and executed by Stuck—would be repaid by October 31, 2010. According to Bhatia’s victim impact statement, he made a similar investment of \$250,000 (believed by the Government to be a loan) on September 16, 2010. Ex. 15.

These facts are corroborated by emails between Stuck, Bhatia, and Patil. For instance, on November 19, 2010, Bhatia asked Stuck, “when can we expect our investment to be returned?”

¹ According to their victim impact statements, the Patil invested \$1,875,000 in 2000 (Tab 14) and Bhatia invested \$4,450,000 between 1998 and 2011 (Tab 15).

Ex. 16. In response, the next day Stuck wrote to both Patil and Bhatia, “InPhase is cooking, I am still waiting on final sign off of monies, any day now, and the will return all your monies, plus interest!” *Id.* Likewise, on December 20, 2010, Stuck wrote separately to Patil and Bhatia one minute apart with identical emails that explaining that “our major investor” had wired “\$2,000,000” and Stuck “expect[ed] to be able to confirm receipt of funds in the immediate future, which will allow us to return monies to you.” Ex. 17.

According to their victim impact statements and the Government’s information, Stuck never repaid either the Patils’ or Bhatia’s loan, making their Guidelines losses \$100,000 and \$250,000, respectively.

Goldstone

Jerry Goldstone invested \$1.8 million in Signal Lake funds between 1999 and 2007 Ex. 18 (Goldstone victim impact statement). In November 2010, as he had done two months earlier with the Patils and Bhatia, Stuck solicited short-term financing from Goldstone using misrepresentations.

On November 16, 2010, Stuck sent an email (Ex. 19) soliciting a 30-day bridge loan for Signal Lake Side Fund II from Goldstone, promising a large imminent investment and that he would be investing alongside his victims:

- “Maxis Capital² will be funding its capital commitment to Signal Lake Side Fund II LP no later than 15 December 2010, [f]or at least \$1,000,000.”
- “I will be making \$250,000 capital commitment[.]”
- “[T]he funds for the capital commitment will be returned no later than 15 December 2010 when the Maxis funds arrive[.]”

Two days later, Stuck emailed again (Ex. 20) seeking short-term financing for a different

² According to Stuck’s LinkedIn profile (available at <https://www.linkedin.com/in/bartstuck> as of January 30, 2019), he was a managing director of Maxis Capital from January 2007 to June 2009.

Signal Lake entity in which Goldstone had invested, Signal Lake Side Fund, based on similar lies:

- “A major investor will be investing \$1M by 15 December 2010....”
- “I have committed \$200,000, and three others have committed an additional \$450,000 total[.]”
- “I will offer to cover up to \$200,000 of any additional new capital commitment, out of my commitment, as a show of good faith, and because I am sure this funding will hit[.]”

There was no large investment by either Maxis Capital or another mystery investor, nor did Stuck invest his own money. Nonetheless, on the basis of Stuck’s lies, on November 23, 2010, Goldstone invested \$200,000 in Signal Lake (Ex. 18 at 1) which was never repaid (*id.* at 2), making his Guidelines loss \$200,000.

Loeber

Stuck defrauded Jan Loeber by falsely claiming that he was investing alongside him.

On January 23, 2011, Stuck emailed Loeber, “ I will be personally investing \$250,000 on Monday, 24 January 2011; glad to have you invest as well, glad to answer any question.” Ex. 21. Stuck did not, in fact, personally invest \$250,000. “[W]hen Stuck told [Loeber] that he had invested some of his own money in a Signal Lake investment, Loeber relied on those statements in making his investing decisions.” Ex. 22 (Loeber Interview Memo) at 2. Accordingly, on January 25 and February 18, 2011, Loeber invested \$101,000 and \$50,000, respectively.

Loeber lost these investments, making his Guidelines loss \$151,000.

O’Hanlon

Just as with Loeber, Stuck solicited an investment from Steven O’Hanlon by fraudulently claiming that he would invest alongside him.

On February 17, 2011, Stuck wrote to O’Hanlon, “If you invest \$50K, I will match, and this will take this to \$3M and a closing!” Ex. 23 at 2. O’Hanlon apparently did not immediately act on this, and Stuck renewed the offer on April 5, 2011, writing, “To summarize, offer is to invest

\$50,000, which will be matched per [Stuck’s prior email].” *Id.* Notwithstanding his initial “intuition” that Stuck’s “investment opportunity was ‘too good to be true[, w]hen Stuck offered to match his investment and agreed to give O’Hanlon the option to redeem his investment within 18 months, O’Hanlon agreed to invest \$50,000.” Ex. 24 (O’Hanlon Interview Memo). Stuck did not, in fact, make an investment in Signal Lake to match O’Hanlon’s.

O’Hanlon reported that he lost his entire investment (*id.*)—which is consistent with the Government’s information—making his Guidelines loss \$50,000.

* * *

Each of these is prior relevant conduct of Stuck’s fraud. In each instance, Stuck executed a fraud that was part of the same course of conduct, insofar as he “repeated the same type of criminal activity over time,” namely defrauding investors using “misrepresented material facts regarding the financial health and anticipated returns of the Signal Lake entities and their portfolio companies.” Indictment ¶¶ 7-8. In each instance, Stuck also executed a fraud that was part of a “common scheme or plan” with Count One, in that those crimes were “substantially connected to each other” by “common victims” (*i.e.*, Signal Lake investors), “common purpose” (*i.e.*, to profit Stuck and lull his victims), and “similar *modus operandi*” (*i.e.*, misrepresenting facts about Signal Lake and the portfolio companies). Taking into account this relevant conduct under U.S.S.G. § 1B1.3(a)(2), Stuck’s Guidelines loss includes \$4,851,000 of investments fraudulently obtained by his specific misrepresentations.

2. Losses Likely Caused by Stuck’s Prior Relevant Conduct

While the Government lacks evidence about the facts leading to every investment in Signal Lake over the past 20 years, the Court may reasonably take into account investments in Signal Lake that are consistent with the specific fraudulent misrepresentations established above. There are four critical time periods during which the circumstantial evidence makes it more likely than

not that other investors were defrauded in the same way as those above.

February - November 2008

The evidence is that Stuck misrepresented the maturity and profitability of InPhase from February to November 2008, leading to investor losses.

As discussed above, Stuck's February 2008 presentation—"Signal Lake Top Prospects Fund 2: Overview"—falsely stated that InPhase was a "later stage high-performing" company with "strong revenue growth" that had a history of "commercialized sales beginning second half 2006" and "December 2006 first commercial product shipment" to "Turner Broadcasting." Ex. 8 at 3, 16, 18.³ Thus, beginning in February 2008, Signal Lake investors incorrectly believed that InPhase was a mature company with a history of product sales.

It is not clear when Stuck corrected these lies concerning InPhase. Three months later, on May 22, 2008, Stuck emailed Braeger to solicit investments in "Signal Lake Top Prospects Fund II." Ex. 25. In that email, Stuck falsely reported that the "[k]ey new event is InPhase is shipping disk drives and storage media and is sold Out for 2008, target \$100M in sales in 2008, \$400M in 2009." *Id.* InPhase was not, in fact, shipping product or sold out.

There is some evidence that Stuck discontinued this ruse in November 2008. A presentation entitled "2009 Signal Lake Annual Meeting" dated "November 2009" purported to recapitulate Stuck's "November 2008 message." Ex. 26 at 3-5. That prior message apparently included the information that "InPhase is well on the way to overcoming last year's identified hard drive engineering delays and has recognized revenue from the sales of disk drive and digital storage media in 2009." *Id.* at 3. This document provides reason to believe that investors after November 2008 no longer believed that InPhase had product sales.

³ According to that document, Signal Lake Top Prospects Fund 2 was the dba for Signal Lake Side Fund 2. Tab 8 at 2.

Based on this evidence, it is more probable than not that Signal Lake Side Fund 2 investors between February 2008 and November 2008 were victims of Stuck's fraud. Deducting investments already accounted for—namely by Husain, MacFarlane, and DiCaprio—results in an additional loss of \$1,709,000:

Investment Date	Victim	Loss (Investment Less Any Recovery)
2/11/2008	Ian M. Clark & Beverly A. Rider	\$200,000
2/14/2008 11/18/2008	Piotr Poloiecki/Caxton FX ltd	\$200,000
3/13/2008	Roger Martin	\$200,000
3/28/2008	David & Katherine Overskei	\$250,000
4/28/2008 5/14/2008	Jan Loeber	\$499,000
6/2/2008 7/31/2008	Frederick J. Leonberger	\$150,000
10/16/2008	Horace L. Shepard	\$200,000
10/17/2008	Barbara Goldstein	\$10,000
		\$1,709,000

Thus, the \$1,709,000 invested during this period by likely victims is loss attributable to Stuck's prior relevant conduct.

Late August-September 2009

Another critical time period in Stuck's scheme was from late August through September 2009, during which time Stuck convinced investors—including DiCaprio—to invest in Signal Lake Side Fund 2 by lying about imminent contributions by new investors.

According to DiCaprio's complaint to State Banking, Stuck began making these misrepresentations in an August 27, 2009 phone call (Ex. 10 at ¶ 10); on that same date, Kapkahn

Investments Partners invested \$25,000 in Signal Lake Side Fund 2. Stuck continued to misrepresent Signal Lake Side Fund 2's prospects in emails with DiCaprio on August 28 and 31, September 2 and 9, 2009. *Id.* at ¶¶ 11-17. DiCaprio invested in Signal Lake Side Fund 2 on September 4 and 14; Kapkahn invested another \$125,000 in that same entity on September 9. The only Signal Lake investments during this time period were by DiCaprio and Kapkahn.

While the Government has no information about Kapkahn's decision-making process, the similarities between DiCaprio's and Kapkahn's investments is circumstantial evidence that Stuck defrauded Kapkahn in the same way as he did DiCaprio. Accordingly, the \$150,000 invested by Kapkahn is likely loss attributable to Stuck's prior relevant conduct.

November 2009 – November 2010

Another such critical time period in Stuck's fraud was from November 2009 to November 2010.

As discussed above, in the November 2009 presentation entitled "2009 Signal Lake Annual Meeting." Ex. 26. In that document, Stuck claimed to have stated in November 2008 that InPhase "has recognized revenue from the sales of disk drive and digital storage media in 2009" (*id.* at 3), and nothing in the portion of the presentation concerning 2009 corrects that misstatement. Thus, after November 2009, investors once again had reason to believe that InPhase was selling products.

Moreover, according to Stuck, an "extremely positive change[] this year" was "Signal Lake obtaining a \$150M-\$225M funding commitment from a single large investor [Maxis Capital (where Stuck had recently been a managing director)] that will fully fund SLSF1 [Signal Lake Side Fund 2], SLSF2 [Signal Lake Side Fund 2] and help establish a new SLVF3 [Signal Lake Venture Fund 3]." *Id.* at 6. Thus, after November 2009, investors once again had reason to believe that Signal Lake and InPhase would receive a massive capital infusion.

Stuck went on to make outrageous predictions about the profits investors in the various

Signal Lake funds could expect. *Id.* at 11. Despite years of failure, Stuck claimed that the “pessimistic” estimated projected valuation of InPhase was \$250 million in 2010 and \$1.25 billion in 2011; the “realistic” and “optimistic” projections were even greater. *Id.* at 42. Stuck’s projected pro forma valuations for the Signal Lake entities that incorporated these numbers were equally heady, and showed that the Signal Lake funds with InPhase investments were “pessimistically” projected to have a value of between \$38 million and \$116 million by 2010 and of between \$184 million and \$544 million by 2011; again, Stuck’s “realistic” and “optimistic” projected values were significantly larger. *Id.* at 43-45. Thus, after November 2009, investors had reason to believe that Signal Lake’s interest in InPhase stood to return profits, at worst.

These were all misrepresentations or half-truths when Stuck made them in November 2009. Most obviously, InPhase had no 2009 sales; Stuck’s later statements to investors prove as much, such as in an undated presentation delivered after April 2010 in which he wrote, “To date, InPhase has spent over \$100M without coming up with a commercially saleable product.” Ex. 27 at 25. As it turned out, InPhase was practically closed in June 2010 (according to DiCaprio, who paid the company an unannounced visit (Ex. 10 at ¶ 40)), completely shuttered in January 2011 (according to Husain, who did the same thing (Ex. 5)), and in bankruptcy by October 2011.

While it is difficult to prove how long Stuck persisted in these lies, we know that he continued to misrepresent that Maxis Capital was making a large capital commitment as late as November 2010. Ex. 18 at 1. Giving Stuck the benefit of the doubt, it is more likely than not that investors from November 2009 to November 2010 were fraud victims. Deducting investments accounted for above—namely by Bhatia, Patil, and Goldstone—results in a loss of \$1,109,909:

Investment Date	Victim	Loss (Investment Less Any Recovery)
12/30/2009 8/18/2010	Jan Loeber	\$200,000
8/27/2009 9/9/2009	Kapkahn Partners	\$150,000
12/30/2009	Elisabeth Murphy	\$50,000
1/6/2010	Jorge & Lillian Hurtarte	\$15,000
1/28/2010	Stapela Werner	\$19,909
4/6/2010	Mark & Karen Lawrence	\$200,000
4/14/2010	Deming Family Trusts and Partnerships	\$250,000
5/19/2010	Randy & Jackie Scroggins	\$25,000
11/18/2010	Richard Bodman	\$200,000 ⁴
		\$1,109,909

Thus, the \$1,109,909 invested by likely victims during this period is loss attributable to Stuck's prior relevant conduct.

January-April 2011

A final critical time period during Stuck's fraud was from January through April 2011, when he falsely claimed that he was personally investing alongside investors like Loeber and O'Hanlon, as discussed above.

In January 2011, Stuck told Loeber, "I will be personally investing \$250,000 on Monday,

⁴ Bodman's November 18, 2010 investment of \$200,000 in Signal Lake Side Fund 2 also fits the pattern of Stuck lying to obtain "short-term financing" based on a supposed large investment to come. As discussed above, three other investors contributed to Signal Lake Side Fund 2 under strikingly similar circumstances: 1) Bhatia invested \$250,000 on September 16, 2010; 2) the Patils invested \$100,000 on September 20, 2010; and 3) Goldstone invested \$200,000 on November 23, 2010. Bodman's investment so closely matches these, especially Goldstone's, that it is more likely than not that Bodman was a victim of the same ruse by Stuck.

24 January 2011”; Loeber relied on that lie when he decided to invest \$151,000 in January and February 2011. Exs. 21, 22. Stuck made similar claims to O’Hanlon in February 2011 (“If you invest \$50K, I will match”) and April 2011 (“To summarize, offer is to invest \$50,000, which will be matched”), leading O’Hanlon to invest \$50,000 in April 2011. Exs. 23, 24.

This evidence makes it more likely than not that Stuck was using misrepresentations between January and April 2011 to induce victims to invest. Deducting investments accounted for above—namely by Loeber and O’Hanlon—leaves a loss of \$850,000:

Investment Date	Victim	Loss (Investment Less Any Recovery)
2/22/2011	Sabeer Bhatia	\$50,000
2/24/2011	Richard Vento	\$50,000
3/4/2011	Steven Shwartz	\$50,000
4/4/2011	David Huber (HRLD L.P.)	\$200,000
4/13/2011	Amy Zale Joffe	\$250,000
4/13/2011	Melissa Zale Norris	\$250,000
		\$850,000

Thus, the \$850,000 invested by likely victims during this period is loss attributable to Stuck’s prior relevant conduct.

* * *

Under U.S.S.G. § 1B1.3(a)(2), the Guidelines’ loss cause by Stuck’s prior relevant conduct could include investments made during these four critical time periods that are consistent with specific instances of Stuck’s fraud scheme. The Court could reasonably calculate the loss Stuck caused likely victims during these four periods to be \$3,818,909.

III. CONCLUSION

Stuck defrauded the FBI from 2015 to 2016 using the scheme charged in Count One. But for years prior to that, he repeatedly engaged in the same fraud against dozens of other victims. Accordingly, Stuck's prior fraudulent activity is "relevant conduct" under the Guidelines because it was both the same course of conduct as the fraud to which he pled, as well as a common scheme or plan with that later fraud.

Taking into account the loss caused by Stuck in Count One and his prior relevant conduct, the Guidelines loss in this case was approximately \$8,719,909, which is the sum of the three categories detailed above:

- As discussed in Section II(A), under U.S.S.G. § 1B1.3(a)(1)(A), the direct loss caused by Stuck from Count One was \$50,000.
- As discussed in Section II(B)(1), under U.S.S.G. § 1B1.3(a)(2), the loss attributable to Stuck's specific misrepresentations in the course of his prior relevant conduct was \$4,851,000.
- As discussed in Section II(B)(2), under U.S.S.G. § 1B1.3(a)(2), the Court could conclude that a reasonable calculation of the loss Stuck caused other likely victims in the course of his prior relevant conduct was \$3,818,909.

Notwithstanding this large loss figure, at sentencing, the Court should enforce the Plea Agreement's loss stipulation capping Guidelines loss at \$3.5 million and apply a 16-point enhancement for loss between \$1.5 million and \$3.5 million under U.S.S.G. § 2B1.1(b)(1)(I).

Respectfully submitted,

JOHN H. DURHAM
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CERTIFICATE OF SERVICE

I hereby certify that on January 31, 2019 a copy of the foregoing was filed electronically. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's CM/ECF System.

/s/
JONATHAN N. FRANCIS
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA

Crim. No. 3:18CR28(JAM)

v.

BARTON STUCK

January 31, 2019

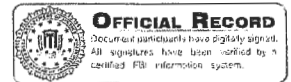
EXHIBITS TO GOVERNMENT'S MEMORANDUM
CONCERNING DEFENDANT'S PRIOR RELEVANT CONDUCT

EXHIBIT 1

318B-NH-5821969 Serial 10

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FD-302 (Rev. 5-8-10)



FEDERAL BUREAU OF INVESTIGATION

Date of entry 12/12/2014

Dave SaoMarcos, date of birth 1968,
San Diego, CA, 92129, work telephone cell phone
was interviewed telephonically by SA Lauer. SaoMarcos called
SA Lauer and provided the following information:

SaoMarcos worked together with David Braeger at a financial services firm called Brookstreet Securities Corporation ("Brookstreet") located in Irving, California. Brookstreet conducted private placements for investors. In 2006, while working at Brookstreet, SaoMarcos and Braeger were introduced to Bart Stuck. SaoMarcos was impressed with Stuck's background and was told that he was very successful with technology companies. Stuck told SaoMarcos that he invests money from clients and has three companies that Stuck believes are the "best" and are going to be sold or liquidated "soon". Stuck told them that in order to invest, he required at least a \$1 million dollars investment from them.

SaoMarcos and Braeger gathered together a group of investors and incorporated a fund, a LLC, in order to make the investment with Stuck. SaoMarcos recalls personally obtained 27 investors with approximately \$1.7 million for the fund. Together, SaoMarcos and Braeger gathered 38 investors who invested an aggregate of approximately \$3.2 million with Stuck. SaoMarcos believes that other investors gave Stuck \$40 - \$45 million or more. Neither SaoMarcos, nor Braeger personally invested any funds with Stuck. SaoMarcos and Braeger received 7% commissions on the funds invested, and were promised a larger pay out of the net profits. SaoMarcos cannot recall the exact pay out percentage promised, however, he believes it to be around 10-20% of the net profit.

Stuck told the investors that he was going to invest their money into three technology companies: CorEdge (CorEdge Group, Inc.), InPhase (InPhase Technology, Inc.) and Soma (Soma Networks, Inc.). Stuck talked of returns of 15-20 times their investment, within a "couple of years or less". Stuck

Investigation on 12/04/2014 at Bridgeport, Connecticut, United States (Phone)File # 318B-NH-5821969Date drafted 12/04/2014by LAUER MARK R

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Continuation of FD-302 of Dave SaoMarcos, On 12/04/2014, Page 2 of 3

discussed that InPhase that was developing technology that would greatly increase the storage capacity of computer compact disks, with technology that would allow data to be stored diagonally on the disks.

In approximately 2006, SaoMarcos and Braeger provided Stuck with their first \$1 million dollar investment. Stuck was very cooperative in the beginning and was very responsive to questions from the investors. Stuck provide the investors with K1 tax returns and quarterly conference calls. Stuck was always asking the group for more money and by approximately 2007-2008, they provided him with a total investment of approximately \$3.2 million.

SaoMarcos was aware that Stuck was the on the Board of Directors for CorEdge, and was Chairman of the Board for InPhase. SaoMarcos does not believe that Stuck was personally associated with Soma. SaoMarcos believes that Soma was the smallest investment of the three companies. SaoMarcos was not sure how much money Stuck invested into these three businesses, however, he may have saved e-mails from Stuck which might contain it.

In approximately 2008-2009, Stuck contacted SaoMarcos and Braeger's investors, without their knowledge, in attempt to get them to invest more money with him. SaoMarcos was aware that other investors in their group provide Stuck with further funds.

In approximately 2008-2009, things began to change with Stuck and the investors began inquiring about their money. Stuck began to change the liquidity dates and expected return dates for the investors money. Stuck became unresponsive to questions from the investors and would tell them that the liquidity dates were coming soon, and getting shorter and shorter in duration, but would never materialize. The investors began to demand proof from Stuck about his statements, including having him provide bills of sales, being updated with material events and press release, etc. in order to substantiate his claims. SaoMarcos stated that Stuck did not provide the investors with anything that substantiated his claims.

Stuck told SaoMarcos and the investors that he wanted to bankrupt InPhase in order to push some investors out. SaoMarcos was unsure of how or why Stuck was going to attempt to do that, however, SaoMarcos believes that InPhase is bankrupt.

SaoMarcos stated that his accountant reviewed the most recent K-1 statement for 2013, and he refused to be associated with it, and would not sign them. The accountant stated that the K-1 did not make any sense.

SaoMarcos believes Stuck has been funding his lifestyle and is taking money from one group of investors and paying off others. SaoMarcos referred

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Continuation of FD-302 of Dave SaoMarcos, On 12/04/2014, Page 3 of 3

to this as a potential Ponzi scheme.

SaoMarcos stated the nearly all the communications from Signal Lake were from Stuck. SaoMarcos added that if someone from their group contacted anyone besides Stuck from Signal Lake, Stuck became upset. SaoMarcos stated that Stuck was "a control freak".

SaoMarcos stated that Stuck maintained the same e-mail address and telephone numbers since 2006. SaoMarcos communicated with Stuck numerous times via e-mail and telephone. SaoMarcos provided Stuck's e-mail as Bartstuck@signallake.com, and telephone numbers of 203-722-2149 and 203-454-1133. SaoMarcos was unsure which number was Stuck's cell and office.

In September 2014, SaoMarcos stated that the investors e-mailed Stuck that they were going to report him to the SEC. SaoMarcos was not aware of a response back from Stuck. SaoMarcos stated that Stuck still is in contact with the group and is telling them that they should be getting their money by the end of the year.

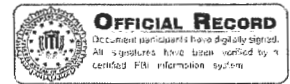
SaoMarcos stated that to date, Stuck has not returned any of the investors' money to them.

EXHIBIT 2

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FD-302 (Rev. 5-8-10)



FEDERAL BUREAU OF INVESTIGATION

Date of entry 12/12/2014

Dave Braeger, date of birth (DOB) 1967,
Milwaukee, WI, 53217, telephone number and cell phone
was interviewed telephonically by SA Lauer. Braeger was given
SA Lauer's contact number by the Securities and Exchange Commission, Boston
Division. Braeger called SA Lauer and provided the following information:

Braeger stated that he and Dave SaoMarcos used to work together at
Brookstreet Securities Corporation (Brookstreet) and met Bart Stuck while
they were conducting a private placement for a company called Straight Shot
Communications. Stuck has very impressive credentials and is "brilliant".
Stuck was involved in the merger between JDS and Uniphase Corporation years
ago, has two degrees from MIT and was on the Board of Directors for
Straight Shot Communications. Stuck told Braeger and SaoMarcos that he
invests money for clients and if Braeger and SaoMarcos could raise at least
\$1 million dollars, they would be able to invest with him. Braeger and
SaoMarcos would receive a 7% commission of the initial investment, and
would split management fees 50-50 with Stuck from the total investment.

In 2006, Braeger and Dave SaoMarcos started an LLC, Signal Lake Top
Prospect Fund of Wisconsin, to invest in a fund started by Bart Stuck,
called Signal Lake Top Prospects Fund. Braeger stated that they copied the
name from Stuck's fund. Stuck is not associated with the Signal Lake Top
Prospects Fund of Wisconsin, other than receiving monies from Braeger and
SaoMarcos's investors.

Stuck told Braeger and SaoMarcos, and their investors (Signal Lake Top
Prospects Fund of Wisconsin) that he had three companies in the fund
already. The three companies included InPhase (InPhase Technologies Inc),
CorEdge (CorEdge Group, Inc), and another company that Braeger cannot
recall. During Power Point presentations for the investors, Stuck stated

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Continuation of FD-302 of Dave Braeger, On 12/04/2014, Page 2 of 4

that these companies are the "hottest" and are getting ready for a quick liquidation (sale). Stuck told group that they could expect returns of 5-10 times on their investment, within approximately one year. Stuck stated that these companies are very best and they need to raise money in order to "get there". Stuck was the only person from Signal Lake involved in the solicitation. Two other individuals, Michael Weingarten and another individual which Braeger cannot currently recall were listed in the Power Point presentation. Braeger stated that Weingarten and the other person from Signal Lake may have been on or attached to emails from Stuck. Braeger currently believes that Stuck was making false statements to the group of investors in order to induce them to invest in his fund; however, Braeger did not know that at that time.

Stuck further stated that InPhase was developing technology that would greatly increase storage space on computer compact disks, 5 times that of blue ray disks. Stuck stated that InPhase was currently doing business with classic movies and several hospitals. InPhase's technology allowed clients to store records on a permanent basis.

Braeger and SaoMarcos obtained 38 investors for a total investment of \$3.2 million to invest with Stuck. After raising the money from the investors, the money was wired to Stuck at the Bank of America. The funds were given in increments, of maybe \$200,000 or \$300,000 at a time, to Stuck over approximately a year and a half. Braeger and SaoMarcos received their commissions timely by Stuck and everything went very well at first. Stuck provided the group with quarterly K-1 statements and was responsive the investors questions during conference calls.

According to Braeger, Stuck contacted maybe five of SaoMarcos investors, without Braeger and SaoMarcos's knowledge, in attempt to get them to invest more money with him. Braeger was aware that other investors in SaoMarcos's group provided Stuck with further funds, maybe \$600,000. Stuck was always asking Braeger and SaoMarcos for more money to invest with his fund. Braeger believes that Stuck was able to raise \$60 million dollars for the Signal Lake Top Prospects Fund.

Stuck told the investors that they would receive returns on their investment but Braeger believes that Stuck was always "kicking the can down the road", and got fed up with Stuck. Stuck's communication with the group also began to deteriorate.

Stuck told Braeger that he was on the Board of Director's for InPhase

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Continuation of FD-302 of Dave Braeger, On 12/04/2014, Page 3 of 4

and he wanted to bankrupt the company in order to get some shareholders out of the company. Stuck did not say how he was going to bankrupt the company, or why, only stating that he was larger than the other investors. Braeger stated that if you Google Stuck, you will find negative comments made about him from employees at InPhase. Braeger believes that InPhase went bankrupt in approximately 2011 or 2012 and changed its name to H-Vault and then to Optical Vault. Braeger stated that the website to Optical Vault is down and not working.

Approximately one year ago (2013), during the late summer or fall, Braeger spoke to the CEO of Optical Vault and asked him about how the company was doing in an attempt to verify statements made by Stuck. Stuck told Braeger that the company was getting ready to be sold and the investors would be getting liquidity (money) from it. The CEO, whose name Braeger cannot currently recall, was shocked and was not sure what Braeger was talking about. The CEO stated that Optical Vault's technology was not even finalized yet and once it was completed, it would not be able to be distributed for another year. The CEO also questioned the sale of the company and stated, words to the effect of "why would they sell the company when it would be more profitable in the future" and stated that "no one was going to buy us, yet". After the telephone call to the CEO, Braeger stated that he received a call from Stuck. Stuck told Braeger that he received a call from the CEO and Stuck told Braeger "not to talk to the executives of these companies and all the information you need can be obtained through me."

Stuck would often tell Braeger that the company has been sold and the accountants are working on the numbers. Once the Accountants signed off, they should see their money. Braeger stated that the investors were never repaid, or received any return on their investment.

In recent e-mail messages, Stuck has continued to make further promises to the investors about receiving their returns by the end of the year (2014). Stuck stated that "they are moving on the company" and "the accountants are working on the numbers that will go to the investors". Stuck also stated that he was working on and closing a \$10 billion euro transaction for InPhase. Braeger is not sure what Stuck is talking about.

Karl Ayer, an Accountant for Signal Lake Top Prospect Fund of Wisconsin reviewed the K-1's provided by Stuck and told Braeger that the K-1 did not look right and he refused to sign them. Braeger believes Stuck provided K-1's for 2012 and 2014.

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Continuation of FD-302 of Dave Braeger, On 12/04/2014, Page 4 of 4

Braeger stated that one investor, Jim Ballard, an Attorney, sent a letter or e-mail to Stuck telling him that the group was going to file a complaint with the Securities and Exchange Commission about him.

Braeger stated that Stuck maintained the same e-mail address and telephone numbers since 2006. Braeger communicated with Stuck numerous times via e-mail and telephone. Braeger provided Stuck's e-mail as Bartstuck@signallake.com and telephone numbers of 203-722-2149 and 203-454-1133.

Braeger believes Stuck is still attempting to raise money from other investors.

Braeger provided contact information for Dave SaoMarcos of cell , and e-mail of dsaomarcos.com.

Braeger currently owns a company, Braeger Auto Finance Group, which provides loans to automobile dealerships. Brookstreet is no longer in business.

EXHIBIT 3

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 01/13/2015

Dana Horne, date of birth 1956, work/mailing address San Diego, CA, 92121, cell phone was interviewed by SA Mark Lauer and San Diego Field Office SA Marcie Soligo. After being advised of the identity of the interviewing agents and the nature of the interview, Horne provided the following information:

Horne is a real estate broker and invested \$500,000 with David SaoMarcos in 2006, in the Signal Lake Top Prospects Fund of Wisconsin. Horne has made other investments with SaoMarcos in the past. Prior to making the investment in the Signal Lake Top Prospects Fund of Wisconsin, Horne attended a sales presentation that was given by Bart Stuck. David SaoMarcos may have also done a portion of the presentation or may have spoken at the meeting. The meeting occurred in a hotel in La Jolla, California, and had between 30-50 people in attendance. The group of potential investors also had dinner at a restaurant in the Aventine area of San Diego. Stuck told the potential investors that they would receive at the low end 3-4 times, but most likely, 10 times monies that were invested with him. Stuck told the group that they would have their money back in one year. Horne stated that Stuck "basically promised" the returns. Stuck stated that he previously had 10 successful companies (investments) and he was looking for the group to invest their money into three companies. Stuck stated that these three companies were doing very well, and have existing products in place. One company was called CorEdge. Horne could not currently recall the names of the other two companies. Horne believes that one of the companies was involved with computer data storage. Stuck's presentation came off very well with the group and Horne, at that time, believed his investment would be very successful.

Since making his investment, Horne has had frequent communications with Stuck. Stuck has been telling Horne that their investments are doing well

Investigation on 12/17/2014 at San Diego, California, United States (In Person)File # 318B-NH-5821969Date drafted 12/17/2014by LAUER MARK R

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Continuation of FD-302 of Dana Horne, On 12/17/2014, Page 2 of 3

and they will be getting their money. Stuck has not told him about any bankruptcies of any of the portfolio investments. Stuck would often go on and on, but wouldn't provide any real specifics about the investment.

In October 2013, Stuck told Horne that "it's a done deal" and all that has to be done is to have the accountants sign off, and the investors would be getting their money. Stuck also stated that the investors will be very happy with their returns. Horne tried to press Stuck about who the accountants are, or who, other than Stuck, was working on the transaction, so Horne would be able to confirm what Stuck was telling him. Stuck would not give Horne the accountants name, and Horne was never able to get an answer from Stuck. Stuck told Horne he did not want to provide the information to him, as it would just "muddy up the waters" if he were to talk to them. Horne believes that SaoMarcos also tried to follow up through e-mails with Stuck about the accountants as well. Horne does not believe that SaoMarcos was able to get anywhere with Stuck either.

Horne estimates that he had spoken to Stuck approximately every six months since he made the investment, and more recently, has had more frequent contact with him. Horne estimates that within the last 3-4 months, he talked to Stuck about 6 times. Stuck's cell phone number is 203-722-2149.

On December 12, 2014, at approximately 9:56 am (local time), Horne called Stuck's cell phone and left a message inquiring about his investment. At approximately 10:39 am (local time) Stuck returned his call. Stuck told Horne that he has a big meeting with the accountants on Monday (December 16, 2014) and he (Stuck) was going to push them to sign off (thereby getting the investors their money). Stuck stated that he will hopefully pay the investors around Christmas, 2014. Horne stated that Stuck did not sound as optimistic about getting the money to the investors by Christmas time, as when they spoke about 10 days earlier.

Horne believes that Stuck is aware that he and SaoMarcos are friends.

Horne stated that he was willing to make consensual recordings for this investigation. SA Lauer provided Horne with a consent form (FD-472) which he reviewed and signed. SA Lauer and SA Soligo witnessed Horne's consent. A copy of the FD-472 is attached to this FD-302.

On December 17, 2014, at approximately 12:15 pm (local time), Horne made a consensually recorded telephone call to Bart Stuck's cell phone (203-722-2149), in the presence of SA Lauer and SA Soligo. SA Lauer confirmed the dialing of the aforementioned telephone number on Horne's

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Continuation of FD-302 of Dana Horne, On 12/17/2014, Page 3 of 3

phone prior to commencement of the call. After placing the telephone call, Horne returned the recording device to SA Lauer. The tape was placed into evidence by SA Lauer.

The following is not meant to be verbatim of the consensually recorded telephone call. The following is provided for summary purposes only.

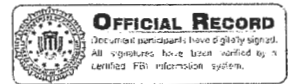
Stuck told Horne that he has meeting with the tax people today at 4:30 pm. Stuck did not say whether he had the meeting with them on Monday (December 16, 2014), as he previously told Horne. Horne asked for the accountants name. Stuck told him that they are the same accountants that he has always used throughout the years. Stuck told Horne that the name of the accountants does not matter and he didn't provide their name. Horne also asked what was the name of the company that was sold. Stuck did not provide it. Stuck stated that the investors would be getting back much more money than they invested and could imagine.

EXHIBIT 4

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FEDERAL BUREAU OF INVESTIGATION

Date of entry 02/12/2015

Dave Braeger, date of birth (DOB) 1967, Milwaukee, WI, 53217, telephone number and cell phone was interviewed by SA Mark Lauer and Milwaukee field office SA Ryan Austin. After being advised of the identity of the interviewing agents and the nature of the interview, Braeger provided the following information:

Braeger further explained how he named his venture capital fund to interviewing agents. Braeger stated that he simply copied the name of the fund from Bart Stuck, Signal Lake Top Prospects Fund, and then he incorporated it in the state of Wisconsin. Braeger refers to it as the Signal Lake Top Prospects Fund of Wisconsin, however, Wisconsin is not in the actual name of the fund.

Stuck gave sales presentations to investors at the Ozaukee Country Club, Mequan, WI and at the Milwaukee County Club. Stuck also gave one or two sales presentations in San Diego, CA. Braeger stated that he personally paid for the investors dinners in Wisconsin, probably through his LLC.

During Stuck's initial sales presentation to investors, Stuck stated that all of the investors money would go into three companies: CorEdge, InPhase and Soma. Investors would receive a percentage of the fund based on the total amount of their investment. Stuck stated that their investment would be short term, 8-12 months, were "home runs", and "at the finish line". Stuck told the group that InPhase would be the largest investment, with 40% of the investment going to that company. Stuck stated that InPhase had the most potential, as its products were going to be used to store data for Headline News and Turner Movie Classics.

Braeger believes that Stuck e-mailed him a signed copy of the Private Placement Memorandum and once he signed it, he e-mailed it back to Stuck. Braeger utilizes a g-mail account, Privateequityventures@gmail.com to communicate with Stuck.

Investigation on 01/21/2015 at Milwaukee, Wisconsin, United States (In Person)File # 318B-NH-5821969 Date drafted 01/26/2015by LAUER MARK R

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Continuation of FD-302 of Dave Braeger, On 01/21/2015, Page 2 of 4

Braeger believes that Stuck's Signal Lake Top Prospects Fund is doing business as another Signal Lake Fund name, possibly Signal Lake II LP. The actual name of the company would be on the subscription booklet (Signal Lake Side Fund, L.P.). Braeger wired investor's money from his account at Wells Fargo Bank to Stuck.

After making their initial investment, Stuck told Braeger that he was looking to bankrupt InPhase in order to get another investor out of the company. Stuck wanted to start the company over and get that investor out. As a result, Braeger's investors wrote off their investment as a loss. Stuck told him that they would be given shares in the new company, for no additional investment. Braeger stated that he did not understand how that would work.

Stuck was looking for the group to make subsequent investments with him in a fund called Signal Lake Top Prospects Fund II. Braeger's group refused and would not do it because they did not receive any money back on their initial investment with Stuck.

In 2009, Braeger participated in a group conference call with Stuck. Braeger believes approximately 50 people were on the conference call, including probably all of his 32 investors. The call was organized by Anthony DeMint (phonetic). DeMint invested with Stuck, however, he was not part of Braeger's investors. DeMint, a New York attorney, is believed to have made two \$500,000 investments with Stuck. DeMint also had two friends invest with Stuck. Lee LNU, an investor from Vermont, is believed to have invested \$500,000. Braeger stated that even before the conference call took place, the group was told that Stuck would only do a presentation for the group and he would not accept any questions from the investors.

Braeger found this to be unusual. During the Stuck's presentation, Stuck told the investors that they would be getting their money back. Stuck broke down each company and stated that they would probably get their money back with CorEdge and Soma, however, InPhase was a "home run". Stuck didn't say anything about bankruptcy. Stuck also addressed some technical issues with InPhase including trying to reduce the size of the storage box. Stuck also stated that conventional tapes and Blue Ray discs have 5 year and 15 year storage life expectancy, respectively, while InPhase holographic technology has a 50 year life expectancy. Stuck then terminated the call. Braeger stated that the investors remained on the conference call without Stuck and began to discuss what Stuck had said. Lee Lnu told a story about how he attempted to set up a face to face meeting with Stuck in Connecticut, however, when Lee arrived, Stuck was not around.

Braeger also stated that Ozzie DeVinir (phonetic), was also on the

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Continuation of FD-302 of Dave Braeger, On 01/21/2015, Page 3 of 4

investors conference call with Stuck. DeVinir works for the hedge fund, Altergra (phonetic).

Braeger stated that it is possible that Stuck utilized some of his investors money to pay for legal and accounting services, as well as a salary for Stuck. Braeger recalls a K-1 which Stuck reported a salary of \$60,000-\$80,000. Braeger believes Stuck's salary should have been in proportion to the total fund of approximately \$45 million. Braeger reiterated that Stuck was not allowed to use his investors money for personal expenses.

To date, Stuck has not paid any of Braeger's investors. Braeger's last communication with Stuck was approximately nine months ago.

Braeger stated that he utilizes Kyle Ayer (phonetic) as his accountant.

Braeger stated that he was willing to make consensual recordings for this investigation. SA Lauer provided Braeger with a consent form(FD-472) which he reviewed and signed. SA Lauer and SA Austin witnessed Braeger's consent. The signed FD-472 is attached to this FD-302.

On January 21, 2015, at approximately 11:45 am (local time), Braeger made a consensually recorded telephone call to Bart Stuck (203-722-2149), in the presence of SA Lauer. The call was recorded by the FBI ITACC system.

The following is not meant to be verbatim of the consensually recorded telephone call. The following is provided for summary purposes only.

Stuck did not pick up the call. Braeger asked Stuck to call him back.

On January 21, 2015, at approximately 11:49 am (local time), Braeger made a consensually recorded telephone call to Bart Stuck (203-454-1133), in the presence of SA Lauer. The call was recorded by the FBI ITACC system.

The following is not meant to be verbatim of the consensually recorded telephone call. The following is provided for summary purposes only.

Stuck did not pick up the call. Braeger asked Stuck to call him back.

Later in the day, after conclusion of the interview, SA Lauer received a telephone call from Braeger. Braeger stated that he received an e-mail from Stuck and Stuck stated that all the assets are sold and he is closing

318B-NH-5821969 Serial 41

FD-302a (Rev. 05-08-10)

318B-NH-5821969

Continuation of FD-302 of Dave Braeger, On 01/21/2015, Page 4 of 4

out all open issues. Two issues are outstanding and then money will be distributed to all investors. (A copy of the e-mail is attached to this document.)

After receiving the telephone call from Braeger, SA Lauer then met Braeger at his office. Braeger then made two follow up consensually telephone calls to Stuck utilizing the FBI ITACC system. Stuck did not pick up either call.

Braeger then provided SA Lauer with documents that were e-mailed to him from Bart Stuck. SA Lauer accepted the documents and subsequently placed them into evidence.

EXHIBIT 5

Victim Impact Statement

RECEIVED

JAN -4 AM 11:41

U.S. ATTORNEY'S OFFICE
NEW HAVEN, CONNECTICUT

Victim: The Khan-Husain Living Trust (please correct name of Trust in your records)

USAO Number: 2015R00015

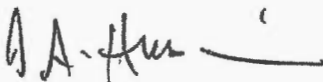
Court Docket Number: 18-CR-00028

I had invested \$250,000 in March of 2008 in Signal Lake Side Fund based on Mr Stuck's statements. He had represented that the primary company (InPhase) that this fund had invested in, was shipping product and was on course to get about \$100M in revenue in 2008. By June, 2009 I learned that InPhase had not shipped anything and would require further modifications to its product before it can be shipped for revenue. The modifications would easily require another year. At that point, I asked for my money back as he had grossly misrepresented the state of the company. He said he will find some other investor to cover my investment, but that did not happen. I was close to suing him but gave up due to cost involved. In January 2011, I undertook a trip to InPhase offices in Longmont, Colorado to lend my expertise in completing & shipping the product. When I arrived there, I found the office to be shuttered and most equipment was packed up in boxes. It was only then Mr Stuck informed that company's assets were being taken over by its senior lender/creditor.

Attached are emails & fund financials that Mr. Stuck had sent. I have more emails and documents if that will be of interest.

Losing \$250,000 in 2008-9 was vastly amplified by the stock market crash at that time, which resulted in margin calls from my stockbroker & I had to borrow from a home equity line of credit & sell other assets to cover the margin calls.

Sincerely,



Iqbal Husain

Trustee, The Khan-Husain Living Trust

Saratoga, CA 95070

Email: husain@yahoo.com

Tel:

EXHIBIT 6

Iqbal Husain

From: Bart Stuck <bartstuck@signallake.com>
Sent: Monday, March 31, 2008 10:43 AM
To: husain@yahoo.com
Subject: Followup

Iqbal:

Just had an InPhase Board meeting: on track to ship small quantities in 2Q08, and ramp to larger numbers per plan for rest of 2008.

CorEdge is engaged with Emerson that purchased Motorola Embedded Computer Group, with the potential to be taken into NorTel and into Juniper; more to follow as it cooks.

Still have \$250K secondary piece available, if you know of anyone interested, glad to talk live, answer questions

Bart

EXHIBIT 7

Iqbal Husain

From: Bart Stuck <bartstuck@signallake.com>
Sent: Thursday, May 22, 2008 7:45 AM
To: husain@yahoo.com
Subject: Remaining \$250K in Signal Lake Top Prospects
Attachments: SLTPFInvestorOverview050108.pdf

Iqbal:

Our investor asked what happened with remaining \$250K secondary placement

We have re done the pro forma financial returns for Signal Lake

Reflecting that the bulk of monies will be invested in InPhase,

Which is now shipping product and on track to \$100M in 2008,

With the other three companies being gravy on top of this.

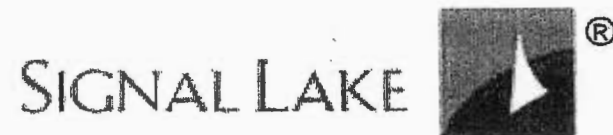
If you know of anyone with any interest in learning more, glad to

Talk to them

Bart

Mobile: +1.203.722.2149

EXHIBIT 8



Signal Lake Top Prospects Fund 2: Overview

February 2008

Disclaimers

The proformas included in this presentation are subject to a high degree of uncertainty and there is no guarantee that the suggested results will be achieved.

This document is qualified in its entirety by reference to the Confidential Private Offering Memorandum of Signal Lake Side Fund 2 LP dba Signal Lake Top Prospects Fund 2 (“SLTPF2”).

This document does not constitute an offering for SLTPF2. Any offering may only be made when accompanied or preceded by the Confidential Private Offering Memorandum.

Investing in SLTPF2 is subject to the numerous risks of investing in private equity.

Fund Overview

- Four later stage high-performing companies
- All companies have strong revenue growth – 2008: \$100M+ in aggregate, 2009: \$300M+
- All are financed to positive cash flow; Signal Lake has been asked if it wants to put more money into each, more money invested accelerates revenues and market share gains disproportionately
- Target companies diversified across growing market segments: multiple marquee customers and business partnerships
- All companies are in earlier Signal Lake Funds; SLTP2 follows other lead investors in each financing, does not set terms
- \$6.7M first closing December 2007, max of \$25M: investors want to attract new investors for potential follow on Signal Lake funds
- Signal Lake GPs are committing \$2 million in this fund
- 3 Signal Lake LPs have committed \$3 million in this Fund
- Each SLTP2 portfolio company investment can return entire Fund



SLTPF2 Proforma Valuation Assuming \$25M Fund

	YE 2009	
Scenario	\$M Return	Inv. Multiple
Pessimistic:	61.1	3.5x
Realistic:	150.3	8.6x
Optimistic:	361.3	20.6x



Fund Overview Continued

- Roughly equal asset allocation to each company
- Maximize returns by investing in companies with
 - » Reduced technology and market risk
 - » Reduced financial risk, based on predictable revenue ramp, cash flow needs
 - » Attractive terms for investment
 - » Shortened time to liquidity: exit by year end 2009



Team Overview

- Investing since 1993
- Leading role in Warburg Pincus' and Sevin Rosin's most successful investments
- Successful individual VC track record: 218% IRR 1993-2007
- GPs are Industry leaders
 - » Hired by other VC funds to guide their investing
 - » Instrumental in success of Ciena, JDS Uniphase, Covad
 - » No dot.com investments; 40% of funds into wireless
 - » Accurately forecasted the demise of CLECs in 1998 (at the peak of the market)
 - » Authored 1998 leading paper on Voice-Over-IP (used as a guide by Cisco and the FCC for voice telecom network economics)
 - » Authored papers on telecom industry restructuring during 2001-2004
 - » "I think you guys are the best. I rush to read everything you write in public." -- George Gilder (October 2003)



Dr. Bart Stuck, Managing Director

- **Education**
 - » MIT- Doctorate in electrical engineering and computer science
- **Bell Labs**
 - » Research: signal processing
 - » UNIX application support and LANs
 - » ATT computer strategy market entry group
- **Start-ups** - helped identify, develop and advise major startups such as *JDS Uniphase*, *Ciena*, *Covad*, *Tegic* and *Torrent*, among others
- **VC consulting** - advised Warburg Pincus and Sevin Rosin funds on investments which became among the best in their respective portfolios
- **VC investing** - achieved substantial returns in several companies
 - » JDS Uniphase interest valued at \$6,739,557, a 44% IRR
 - » Ciena interest valued at \$2,873,367, a 1,002% IRR
 - » Covad interest valued at \$2,745,000, a 467% IRR
 - » Tegic interest valued at \$677,222, a 138.7% IRR

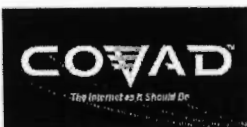




Dr. Stuck - Case History

- **Dallas TX investment banking boutique** retained Dr. Stuck to evaluate Ciena (August 1993)
- **Assessment:** Great technology, CATV business model not viable
- **Dr. Stuck** identified opportunity, developed new direction for the commercialization of the technology, and revamped the business plan
- **Dr. Stuck** put together the venture capital syndicate that funded the launch of the company (April 1994)
 - » Venture investors included Sevin Rosen, Interwest, Vanguard
- **IPO (February 1997):** \$2.1B IPO market cap largest of any venture backed company in history at that time
- **Sevin Rosen** return was equal to all the money they have ever raised
- **Personal return:** \$2,000 investment sold for \$2.87 million, a 1001% ROI





Dr. Stuck - Case History

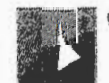
Warburg Pincus retained Dr. Stuck to evaluate Covad

Assessment - Dr. Stuck advised Warburg Pincus to invest in Covad

Ongoing role - Dr. Stuck was retained to assist Covad (business development, operations and technology licensing)

Results

- ❑ January 1999 IPO: \$3B market cap as of April 30, 1999
- ❑ Covad largest ROI the Warburg Pincus venture fund ever achieved
- ❑ Dr. Stuck's \$15,000 investment yielded \$2,747,000, a 476.7% IRR
- ❑ Covad remains the largest independent DSL provider in the country





Dr. Stuck - Case History

Columbia Capital retained Dr. Stuck to assess Torrent

Assessment - Dr. Stuck advised Columbia Capital to invest

- Sprout joined investment syndicate

Ongoing role - Dr. Stuck was retained to help build the company, recruit CEO and management team

Results

- April 1999 acquisition by Ericsson for \$450M in cash
- Returned \$300 million on a \$30 million investment by Columbia Capital
- Dr. Stuck co-invested with Columbia Capital in first and subsequent rounds
- Dr. Stuck realized \$522,238, for an IRR of 352%





Dr. Stuck - Case History

-
- **United Technologies Photonics** (\$3 million in 1994 product revenues; \$1 million in telecom) retained Dr. Stuck in 1993 to identify new markets for its technology
 - » Dr. Stuck identified the optical networking market opportunity (NorTel undersea optical fiber transmission, GI CATV headends) and helped build initial sales
 - **Dr. Stuck** was a leader in driving the merger that created JDS Uniphase
 - » United Technologies retained Dr. Stuck was asked to find an acquirer
 - » Dr. Stuck identified Uniphase as a potential acquirer and made the introduction that led to the acquisition
 - » Dr. Stuck assisted in due diligence and made the presentation to the Uniphase board of directors that led to the acquisition
 - **Results**
 - » By 1999, JDS Uniphase had \$500MM in revenues, \$60B market cap
 - » JDS remains the leader in optical components
 - » Dr. Stuck's initial investment returned \$6.74 million, a 44.3% IRR





Dr. Stuck - Case History

- **Seattle WA based software company**
- **Developed predictive text entry (T9) for**
 - » cellular telephones (90%+ penetration in 2005)
 - » PDAs
 - » touch screen data entry
- **Currently supports over 40 languages**
- **Assessment: outstanding innovation**
- **Results**
 - » By 1998, Tegic had 90%+ penetration of all cellular telephone handsets shipped
 - » Tegic remains a market leader in text entry software
 - » AOL Online Acquired Tegic in 1998 for over \$400M

Michael Weingarten - Managing Director

Education

- MBA from Harvard Business School; Bachelor's and Master's degrees from Columbia University

Boston Consulting Group

Manager at leading business strategy consulting firm with experience in a wide ranging set of industries

Monitor Group

managing director of Monitor's Telecom Advisory Services

Leading international telecom strategy expert working with telecom service providers around the world

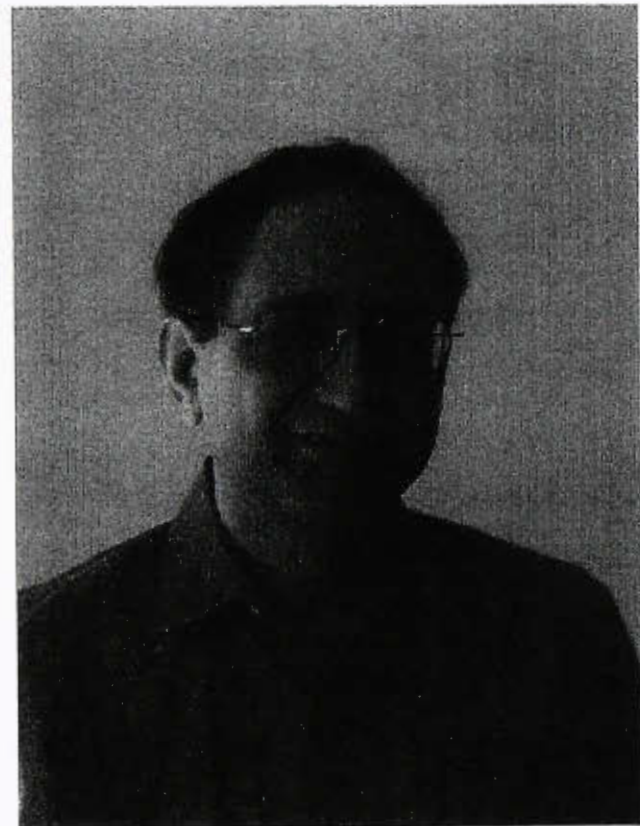
Authored or co-authored numerous articles on telecom issues

Regulatory affairs expert.

Turn-around expert

numerous court appointments as a Chapter 11 trustee

Close collaboration with Bart Stuck since 1992



SLTPF2 Investment Summary

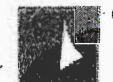
Signal Lake Top Prospects 2 Pro Forma Investment Summary

US \$millions

		Home	Invested	Ownership
	Sector	State	2009	2009
InPhase Technologies	Digital Storage	CO	2.5	2.2%
CorEdge Networks	Networking	MA	6.0	8.8%
Hermios	Networking	MA	4.5	8.8%
<u>SeraStar</u>	Networking	MA	<u>4.5</u>	8.8%
Total			17.5	

SLTPF2 2009 Proforma Returns

	Revenues (\$M)			2009 SLTPF2 Valuation (\$M)		
				Pess.	Real.	Opti.
	2007	2008 E	2009 E	Mkt	Mkt	Mkt
InPhase Technologies	4.1	100.0	600.0	46.5	105.5	211.1
CorEdge Networks	2.5	11.0	33.2	1.5	8.3	35.3
Hermios		2.9	14.0	8.4	24.6	66.7
<u>SeraStar</u>		<u>13.8</u>	<u>28.0</u>	<u>4.6</u>	<u>11.9</u>	<u>48.3</u>
Total	6.6	127.7	675.2	61.1	150.3	361.3
Multiple on Total Exp Inv Capital				3.5 x	8.6 x	20.6 x





InPhase Technologies

- Holographic digital storage media and drives: \$60B market opportunity, growing 15%-20% per year->archival (tape) market \$5B in 2006, growing 20%-25% per year
- December 2006 first commercial product shipment: 5 ¼ inch drive and three pieces 300GByte storage media to Turner Broadcasting
- Plastic media with same form factor as CD (700MB) or DVD (5GB), but with 300GB storage. 90% gross margin potential
 - » April 2005 demonstrated 200GB per sq. in., October 2005 demonstrated 350GB per sq. in. and 20Mbyte/sec transfer rate, 2009 target 1.9 terabyte per disk
 - » Write once read many shipping, and read write product lines ready for launch
- **October 2004: Working 5.25" prototype drive**; working on commercialized drive with sales beginning second half 2006
- \$10M+ revenues (2005) selling media and testers
- 150+ patent applications and grants
- Partners: Quantum, StorageTek/Sun Microsystems, Imation, Maxell, Sanyo, Bayer, Sony, ALPS, Lite-On
- Seasoned storage industry management team (MaxTor, StorageTek, HP Storage, Quantum, McData)
- Potential IPO candidate in 2009

InPhase Proforma Financials

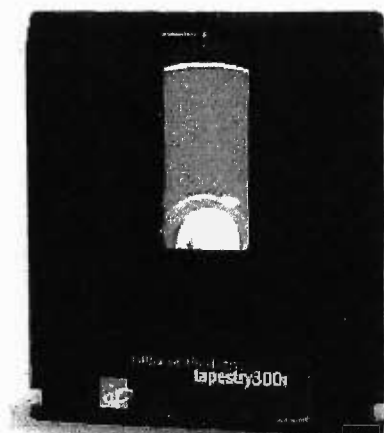
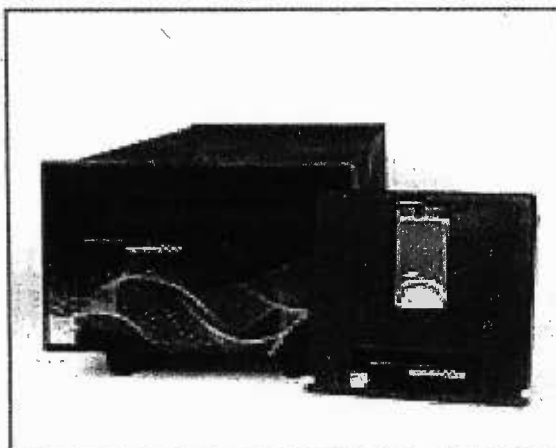
InPhase Technologies								
Financial Summary*								
US \$millions								
	2007 estd	2008 P	2008 R	2008 O	2009 P	2009 R	2009 O	
Financials								
Revenues	4.1	47.0	100.0	150.0	424.0	600.0	800.0	
EBITDA		(3.9)	15.0	27.5	153.2	210.0	290.0	
margin		-8.3%	15.0%	18.3%	36.1%	35.0%	36.3%	
Cash		(1.2)	4.5	8.3	46.0	63.0	87.0	
Debt		5.0	5.0	5.0	5.0	5.0	5.0	
Total Invested Equity		104.0	104.0	104.0	104.0	104.0	104.0	
SLTPF Expected Invested Equity**		7.5	7.5	7.5	7.5	7.5	7.5	
SLTPF2 Expected Invested Equity**		2.5	2.5	2.5	2.5	2.5	2.5	
Valuation								
Revenue Multiple		5.0 x	8.0 x	12.0 x	5.0 x	8.0 x	12.0 x	
Enterprise Valuation		235.0	800.0	1,800.0	2,120.0	4,800.0	9,600.0	
Equity Value		230.0	795.0	1,795.0	2,115.0	4,795.0	9,595.0	
SLTPF Expected Ownership		7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	
Expected SLTPF Value		16.6	57.3	129.4	152.5	345.7	691.8	
Return on SLTPF Expected Investment		2.21 x	7.64 x	17.26 x	20.33 x	46.10 x	92.24 x	
SLTPF2 Expected Ownership		2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	
Expected SLTPF2 Value		5.1	17.5	39.5	46.5	105.5	211.1	
Return on SLTPF2 Expected Investment		2.02 x	7.00 x	15.80 x	18.61 x	42.20 x	84.44 x	





Inphase Technologies

5 1/4 Drive and Tapestry™ Media



InPhase: Bringing 300GByte Storage Media to Market



from technology....

... to solutions

Strategic Components

Optics

FUJINON **ZEISS**

SLM

DisplayTECH

Laser

NICHIA

Detector

CYPRESS

Channel

MARVELL

Chemicals

Bayer MaterialScience

Media

Moserbaer



Drive Manufacturing

DELPHI
(Pilot manufacturer)

Media Manufacturing

Moserbaer

Service/Support

intrepid
NATIONWIDE MAINTENANCE

Test Equipment

DaTARIUS

OEMs

Ikegami **RORKE DATA**

DSM TERASTORE

Robotics

DSM TERASTORE **EDT**

Software & Solution Integrators

MASSTECH **QSTAR** **POINT** **PEGASUS** **SGL**

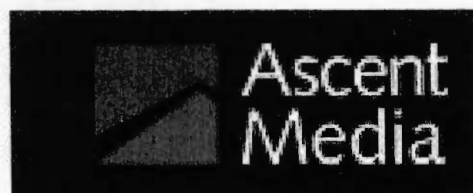
VARS...

ALLIANCE TECHNOLOGY GROUP **DataSolutions**



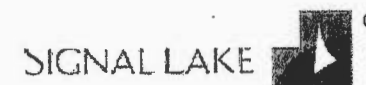


InPhase Customer Commitments



over 1500 leads are being qualified

Confidential





InPhase Business Model

	Per Drive	Per Month	Annualized
Units Sold (initial)		1,000	12,000
\$/Drive	9,000		
Media/Drive	100		
\$/Media	110		
Media \$ per Drive-Year	11,000		
Year 1 Revenues Per Drive	20,000		
Year 2, 3, 4 Revenues Per Drive	11,000		
Year 1 Total Revenues		20,000,000	240,000,000
Year 2 Total Revenues (no unit increase)			372,000,000
Year 3 Total Revenues (no unit increase)			504,000,000



What Will InPhase Provide to Consumers?

- capacity & performance – 4GB/ 120 GB
- product cost – under \$20
- form factor – mobile device for video/audio/games
- power – 100 mW
- robustness – no spinning disk
- replication - high speed, low cost





InPhase Management Team

- **Steve Kitrosser, *Chairman of the Board***
30+ years experience, VP of Seagate; founder and CEO of Quinta; CEO of Maxoptics and Executive VP at Maxtor Corp, DEC
- **Nelson Diaz *President and CEO***
25+ years of experience in the storage industry, VP/GM at StorageTek, Vice President at Maxtor Corp, and held numerous DEC
- **Kevin Curtis, Ph.D. *Chief Technology Officer***
Bell Lab, 12+ years; PhD Cal Tech
- **Lisa Dhar, Ph.D. *Vice President of Media Development***
Bell Lab, 7+ years. Ph.D. in Physical Chemistry from MIT.
- **Dave Kempf *Chief Financial Officer***
24+ years experience as a finance executive with public and private companies ranging from Fortune 500 corporations to high tech startups
- **Liz Murphy *Vice President of Marketing***
25+ years experience in the storage industry as VP/GM at StorageTek, various marketing, R&D and IT positions at Hewlett-Packard, and at SRI International.
- **Rusty Rosenberger *Vice President of Business Development***
24+ years experience in document image management and data storage Imation Corp, and 3M Company
- **Bill Wilson, Ph.D. *Chief Scientist***
20+ years experience, Bell Labs, Ph.D. in Physical Chemistry from Stanford University.
- **Art Rancis *Vice President of Sales***
25+ years of experience in data storage products and services. Sony Electronics, Samsung Electronics, StorageTek and Tektronix
- **Tom Wilke *Vice President of Engineering***
25+ years experience in the professional and consumer electronics industries. Cornice, Iomega, and StorageTek
- **Michael Johnson *Vice President of Operations***
20+ years experience in the electronics industry having worked on computer, data and consumer related products. Iomega and Kyocera Wireless



Why Customers Pick InPhase

- Lowest cost per bit for archival storage
- Roadmap to even lower costs
- Transfer rates far beyond magnetic media
- 50 year shelf life, temperature and humidity insensitive media
- Multiple strategic partners around the globe validate concept
- Cost effective new storage for handheld devices (game players, cameras)



CorEdge Group

- **CorEdge Group, with corporate offices in Boston MA and design centers in Fremont CA, Minneapolis MN, Bridgewater NJ, and Bangalore India, is a leading developer of 10Gbps packet processing chips, board, and systems**
 - » **Hermios:** designs, develops, markets and supports 10Gbps bit stream processor chip (FPGA)
 - » **CorEdge Networks** designs, develops, manufactures, markets and supports 10Gbps packet processing printed circuit boards, and ancilliary components (software for board and shelf management, chassis, and power modules)
 - » **SeraStar:** designs, develops, manufactures, markets and supports Gigabit Passive Optical Network (GPON) systems for telecom carriers for optical fiber to the home deployment
- **CorEdge Group products based on significant intellectual property**
 - » powerful set of intellectual property (50+ patents and trade secrets (IP)) held by **SLT Logic LLC**
 - » Currently used as cores in commercially-available Field Programmable Gate Array chips from Xilinx
 - » System management software, high availability electric power inverters, and scalable mechanical enclosures each have their own IP to complement that of integrated circuitry IP.
 - » Standard interfaces are set by participants in ATCA and MicroTCA standards bodies, and CorEdge innovates within these standards.
- **CorEdge components used by most leading ATCA/MicroTCA integrators, including Ericsson, Motorola, Qualcomm, General Dynamics, and Intel**



CorEdge Group

	Q108 E	Q208 E	Q308 E	Q408 E	2008 E	Q109 E	Q209 E	Q309 E	Q409 E	2009 E
Hermios (Chips/Cores)										
Internal	126	316	564	1,056	2,062	969	1,355	1,452	2,019	5,794
External	-	67	217	590	874	53	1,615	2,121	4,382	8,170
Total Revenues	126	383	780	1,647	2,936	1,021	2,970	3,573	6,401	13,965
CorEdge Networks (Components)										
Internal	478	862	1,596	2,372	5,309	1,722	2,426	2,993	3,473	10,614
External	262	767	1,677	2,994	5,700	2,692	4,362	6,854	8,724	22,633
Total Revenues	740	1,629	3,274	5,367	11,009	4,414	6,788	9,847	12,198	33,247
Serastar (Systems)										
Internal	-	-	-	-	-	-	-	-	-	-
External	1,277	2,194	3,807	6,553	13,832	4,006	6,102	8,188	9,722	28,017
Total Revenues	1,277	2,194	3,807	6,553	13,832	4,006	6,102	8,188	9,722	28,017
Total Unconsolidated										
Internal	604	1,179	2,160	3,429	7,371	2,691	3,780	4,445	5,492	16,409
External	1,539	3,028	5,701	10,138	20,406	6,750	12,079	17,163	22,828	58,820
Total Revenues	2,143	4,207	7,861	13,567	27,777	9,441	15,859	21,609	28,320	75,229

Confidential





CorEdge Group Firsts

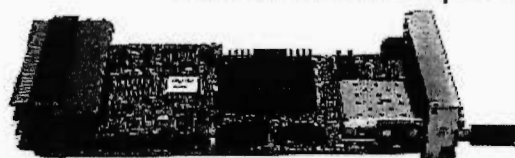
- **10Gbps Advanced Mezzanine Card (AMC)—2005**
 - » Ericsson employing this in next generation network equipment—bitstream processor chip is core
- **microTCA Channel Hub (MCH)-2005**
 - » Ericsson choice for all next generation shelf management—migrate to chip over time
 - » I2C switch for controlling all devices (AMCs, power, fan) in a shelf—migrate to chip over time
 - » Complete line of clocks: PCIExpress, telco, GPS/wireless—integrate in chip over time
- **Cutaway ATCA carrier card—2005**
 - » System equipment platform for Intel, Ericsson
- **microTCA power module line with IPMI--2006**
 - » PowerOne distributor/partner
- **picoTCA product line for product development, deployment--2006**
 - » Motorola OEM, Arrow distributor
 - » Qualcomm reference design platform
- **10Gbps programmable bridge chip--2006**
 - » Ericsson, Intel customers for next generation products
- **Intel quad core processor card reference design--2007**



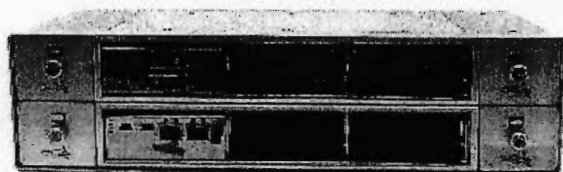
CorEdge/Hermios/SeraStar Market Focus:

Two related markets at the center of telecom Growth

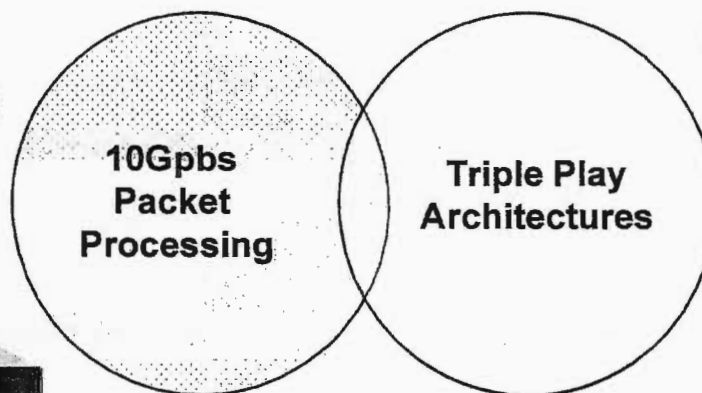
CorEdge Networks (CEN) is one of the leading companies in the large and rapidly growing **ATCA (Advanced Telecom Computing Architecture)** and **MicroTCA** markets, with the only working product in several critical components.



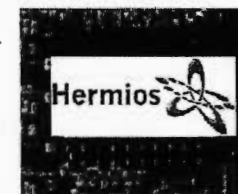
CEN-MCH 2.7 with Clock/SATA Module



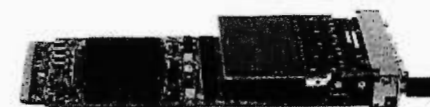
CEN PicoTCA Test & Development System



Due to its modular multi-protocol/programmable chip design and ability to support FPGA based systems, CEN has developed a number of important tier 1 relationships for **GPON (Gigabit Passive Optical Network)** and **IMS (IP Multimedia Subsystems)**, the next-generation architecture for converged wireless/wireline multimedia networks.



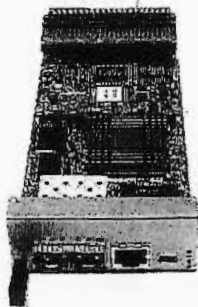
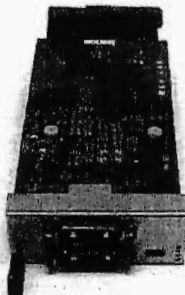
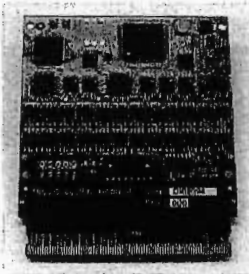


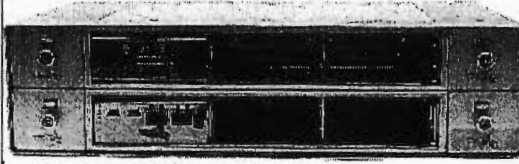
Hermios Bitstream Processor Chip



CEN 20 Gbps Programmable Port Card With PHY daughter card



CorEdge MicroTCA Products


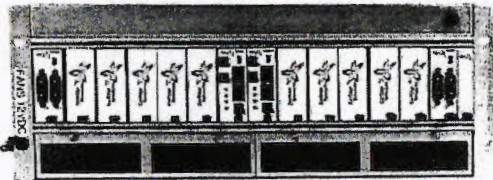
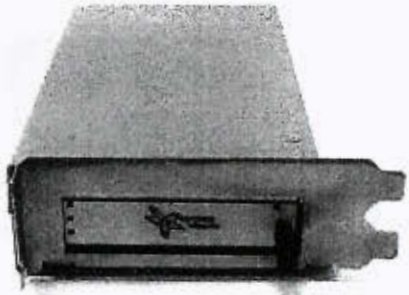


MicroTCA Carrier Hub	MicroTCA Power Module	MicroTCA Clock/SATA Module
		
AMC 10G Programmable Port Processor	PicoTCA 1US	PicoTCA 2UE
		

Confidential





Latest CorEdge xTCA Extensions

PicoTCA 4 Bay	CEN-MICRO-xU14 (680 Gbps capacity)	CEN-PAC
		
CEN-ATCA-1US	AMC RL20 20Gbps Programmable Port Processor	
		Intelligent Platform Management Interface Software





CorEdge Networks

CorEdge xTCA Position

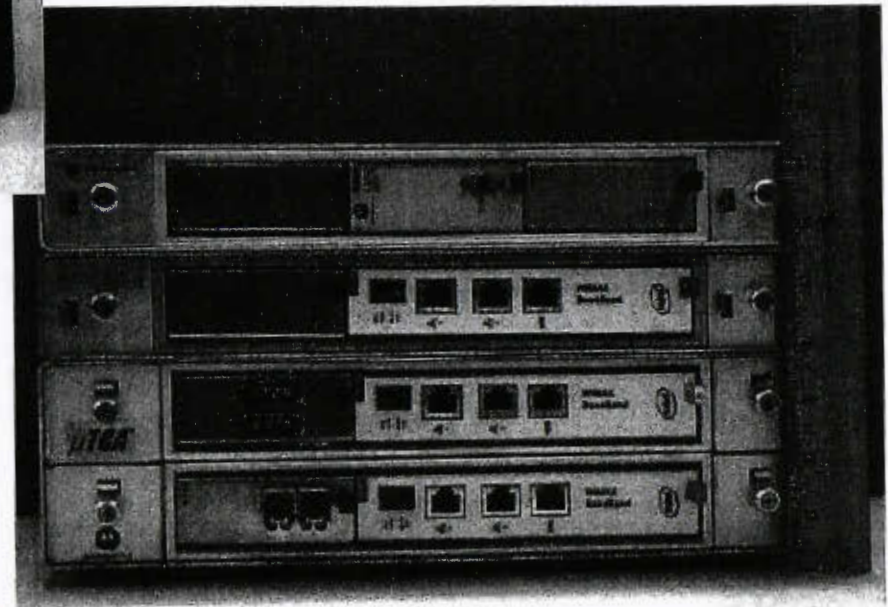
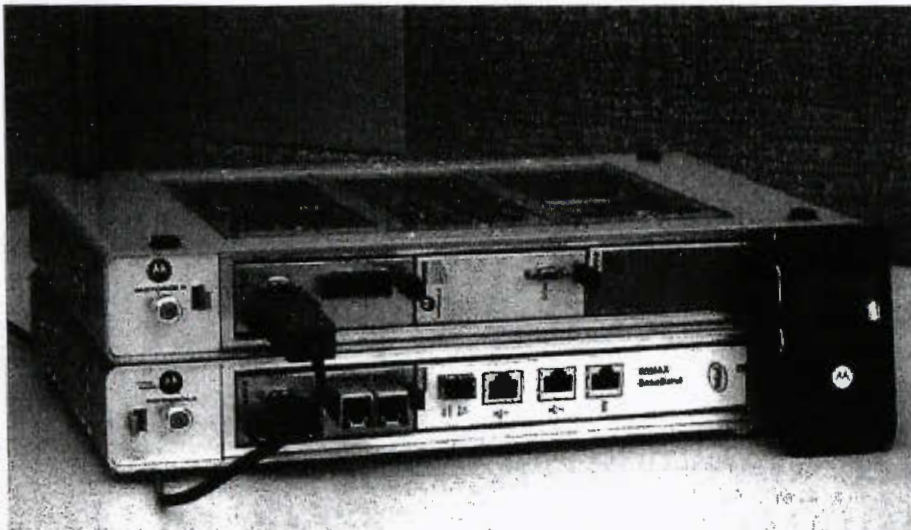
- CEN has important design wins, with others in the pipeline
 - » **Ericsson** 10Gbps line card (different software, coprocessors) and (MCH, power supply, clock cards); 4 divisions
 - » **Motorola** (PicoTCA, power module)
 - » **Qualcomm** (PicoTCA, power module, MCH, clock cards); 2 division
 - » **Twelve other Tier 1 Companies**
 - » **Five Tier 1 Chip companies**
 - » **Multiple Tier 2 suppliers**
 - » **US Military Prime/Subcontractors** (Worldwide Satellite Systems \$5B contract, WIN-T \$10B contract)





CorEdge Networks

Motorola/Intel WiMAX Demo (using CEN PicoTCA + Power Module)



Confidential



CorEdge Management Team

- **Bart Stuck, Executive Chairman**
30+ years experience, Managing Director, Signal Lake, Bell Labs, 60+ diverse startups, MIT
- **Will Chu, President**
10+ years experience, Texas Instruments, Fidelity
- **Viswa Sharma, CEO and Chief Technical Officer**
30+ years experience, CoReach, Accordion, Dagaz, Integrated Network Corporation, Xerox, Exxon Office Systems, Wordstar
- **Barry Dolan, VP Sales**
20+ years experience, Force Computers, Motorola, Channel Access
- **MS Tseng, VP Manufacturing**
30+ years experience, IBM/Taiwan, Sun Microsystems
- **Dan Oyos, Director, Operations**
15+ years experience, Brocade, CNT

CorEdge Networks GlobalComm 2006

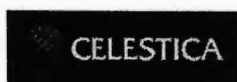


CorEdge Networks

I. CEN-MPWR

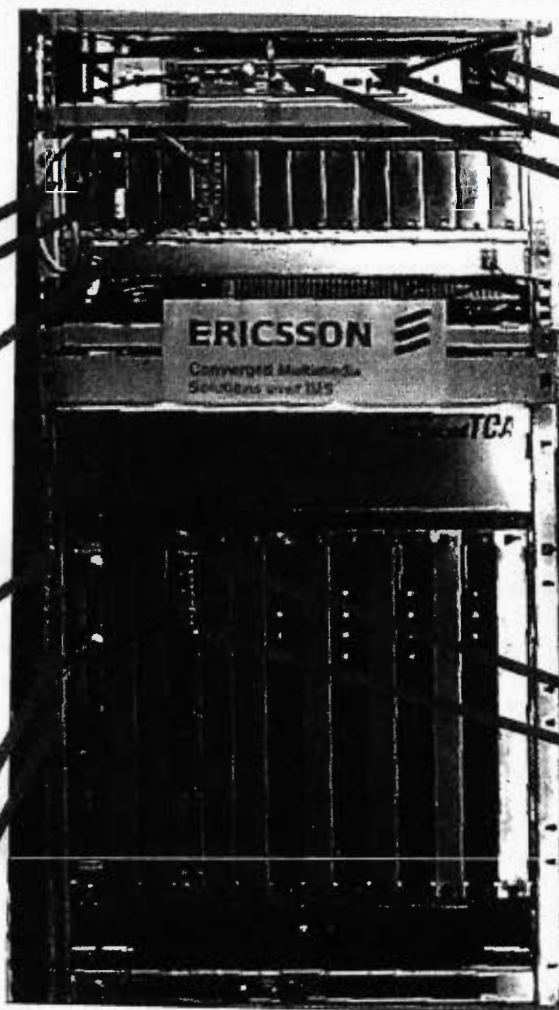
J. CEN-MCH

K. CEN-RL10 (1GE) AMC
Traffic Generator



A. Celestica Bell Bay ATCA
AMC Carrier with Fujitsu
10Gbps Ethernet Switch
B. CEN-RL10 (1GE) AMC
C. CEN-RL10 (1GE) AMC

Confidential



CorEdge Networks

F. CEN-PICO-1US

G. CEN-RL10 (CX-4) AMC

H. CEN-RL10 (1GE) AMC



CorEdge Networks

D. CEN-RC2 Carrier Card

E. CEN-RL10 (CX-4) AMC

SIGNAL LAKE





CorEdge Networks

CorEdge Business Progress

	2006	2007
Customers	≈40	≈120
Tier 1		20
Sales	\$700K (2006) \$130K (2005)	11% per month sales growth 4X+ 2007 sales potential Funnel > all 2007 sales
Largest Order	\$200K Ericsson system integration	\$958K Qualcomm
Leading Relationships	Ericsson Motorola	Ericsson Intel (with HP, BT, AT&T) Qualcomm BAE Kontron Radisys



Key Partners By Segment:

Components



Hermios



Hermios xTCA/AMC Position

- All CorEdge board-level products are based on the Hermios Bitstream Processor technology
- Hermios sells merchant chips/cores to CorEdge and also third parties
- Probable long-term result:
 - » Volume HER chip sales to tier 1 TEMs and to CEN
 - » Board-level sales to tier 2/3 accounts, military and other verticals





Hermios

- **Hermios incorporated September 2005**
 - » SLT Logic LLC owns the intellectual property of Terago Communications
 - » SLT Logic LLC has licensed some of this to Hermios
 - » SL entities own virtually all of the preferred shares of Hermios
 - » CorEdge Networks shareholders have received stock in Hermios via a stock dividend
- **Developing edge and core network multiprotocol integrated circuitry**
 - » Based on superior multi-protocol/programmability capabilities
 - » Combined with high performance/low latency
- **Hermios products based on emerging industry standard electronics packaging**
 - » Advanced Telecom Computing Architecture (ATCA) intended for telco end offices (digital switching and transmission equipment)
 - » MicroTCA intended for outside telco plant (cellular base stations, digital subscriber loop (DSL) transmission equipment, optical fiber to the home, CATV modems)

Hermios



Hermios Product Strategy

- All products implemented first in Field Programmable Gate Arrays (FPGAs)
- CorEdge Networks is initial customer for all products
- Once product features and customer demand is proven, and volume purchase commitments are in place, migrate product from FPGA to Application Specific Integrated Circuit (ASIC)
- Engineering team: ten experienced individuals->order of magnitude lower burn rate than other comparable fabless semiconductor companies
- Product roadmap
 - MicroTCA Carrier Hub—monitor AMC
 - I2C switch—monitor AMC (component of MCH)
 - Multiprotocol bridging—Pentium, disk drive, network interfaces to backplane
 - Multiprotocol switch fabric (4 port, 8 port, 12 port, 16 port, 20 port)
 - Bitstream Processor with Graphical User Interface
 - Extensible Markup Language (XML) tag switching
 - Compression/decompression
 - Advanced Encryption Security

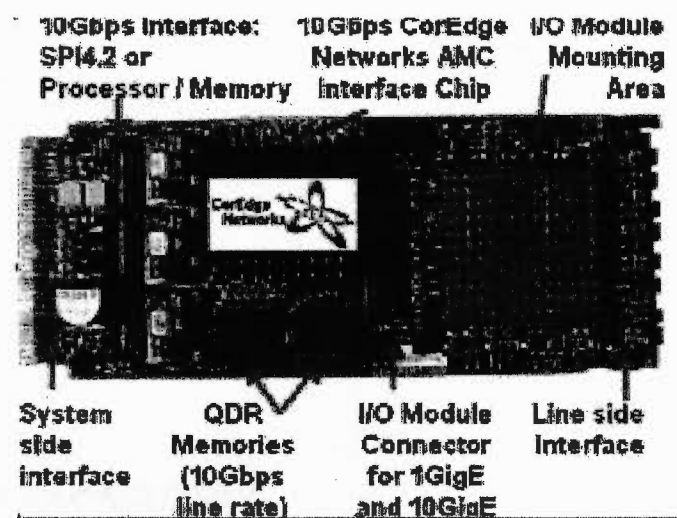


Hermios



Bitstream Processor

- CorEdge's Bitstream Processor is
 - » Modular
 - » Highly Programmable
 - » Multi-protocol capable
 - » Implementable on FPGAs at wirespeed
- Using Xilinx's new Virtex 5 design, it is possible to merge Bitstream and proprietary user code on a single FPGA
- As a result, the Bitstream core is a logical successor to the NPU concept
- For working with the Bitstream, the RL10 10 Gbps programmable line card is an ideal development platform, in that it allows the user to add daughter cards with coprocessors/extra memories and different I/Os
- Can be repackaged for different applications rapidly and cost effectively



CEN RL-10 AMC



Hermios



Hermios Management Team

- **Bart Stuck, Executive Chairman**
30+ years experience, Managing Director, Signal Lake
- **Will Chu, President**
12+ years experience, Texas Instruments, Fidelity
- **Viswa Sharma, CEO and Chief Technical Officer**
30+ years experience, CoReach, Accordion, Dagaz, Integrated Network Corporation, Xerox, Exxon Office Systems, Wordstar
- **Dan Oyos, VP Operations**
15+ years experience, Brocade, CNT





Key Partners *in Process*





Why Customers Pick Hermios

- **Standards Compliant ATCA and microTCA products**
 - » Full suite of **WORKING** products: 5 total and growing!
 - » Software for managing/dynamically controlling chips
- **Flexibility**
 - » Security: packet inspection at 10Gbps wirespeed
 - » Compression/decompression at 10Gbps wirespeed
 - » Fault management: detection, isolation
 - » Diskless servers: fast software reload/boot
 - » Multi-protocol integrated circuitry
- **Price/performance vs alternatives (Source: Gartner)**
 - » Up to 2/3 less capex vs Ethernet+Fibre Channel
 - » Up to 2/3 less opex vs Ethernet+Fibre Channel



SeraStar

- **SeraStar created March 2007**
 - » SLT Logic LLC owns the intellectual property of Terago Communications
 - » SLT Logic LLC has licensed some of this to SeraStar
 - » SL entities own virtually all of the preferred shares of SeraStar
- **Developing microTCA based systems**
 - » Processor servers based on Intel Architecture standards
 - » Storage servers based on Serial ATA
 - » Switch fabric (1GigE, 10GigE, scalable, programmable switches)
 - » GPON network access equipment
 - » HDTV videoconferencing platform
- **Packages CorEdge components as well as those from other third parties into complete systems**

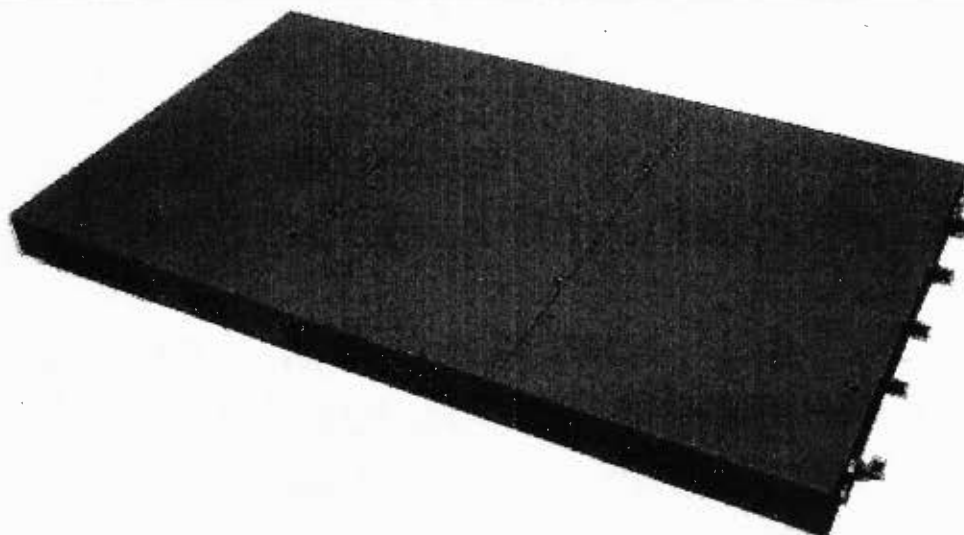


SeraStar xTCA Position

- **SeraStar has an important first mover advantage in MicroTCA (μ TCA) systems**
- **SeraStar is responding to customer demand for completely packaged systems, not just modules and subsystems**
- **SeraStar is stimulating the growth of MicroTCA ecosystem**
- **Customers can add value through software and system integration with other components**



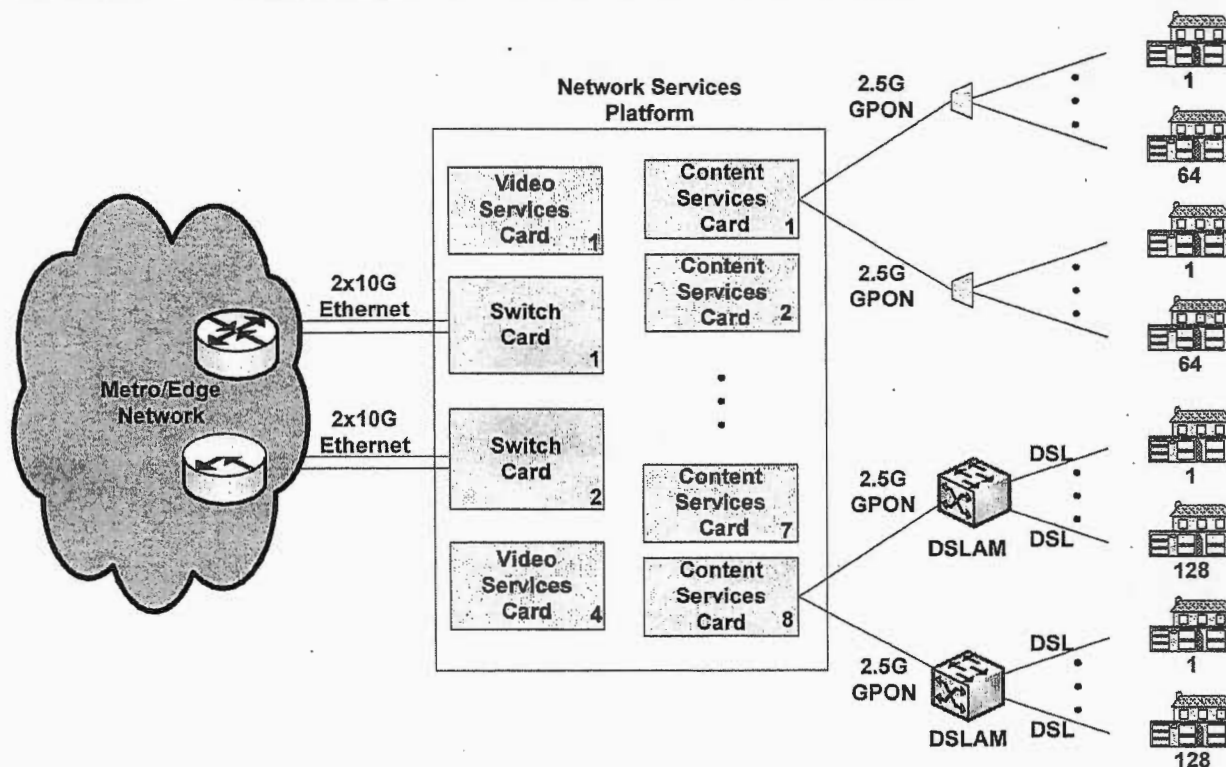
SeraStar 1U Server



- ***A CorEdge Networks ATCA Full Cutaway AMC Carrier Card (CEN-RC2)***
- ***A high-speed ATCA processor blade, using two (2) dual-core high speed Intel Xeon™ processors***

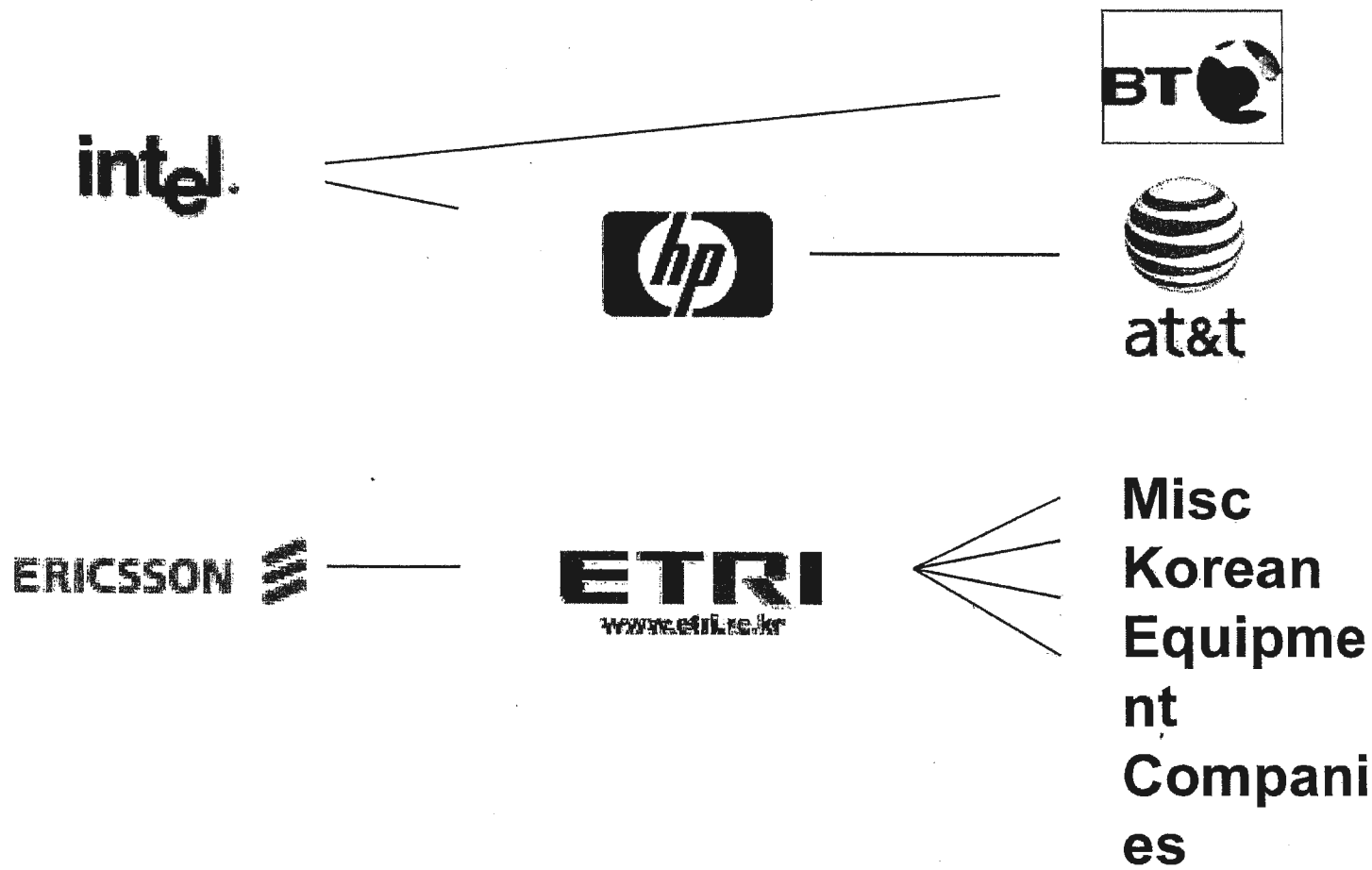


Gigabit Passive Optical Network (GPON) Pulls Through Sales of CorEdge Components





Major GPON Business Relationships *Two Key Ecosystems*





SeraStar Management Team

- **Bart Stuck, Executive Chairman**
30+ years experience, Managing Director, Signal Lake
- **Will Chu, President**
10+ years experience, Texas Instruments, Fidelity
- **Viswa Sharma, CEO and Chief Technical Officer**
30+ years experience, CoReach, Accordion, Dagaz, Integrated Network Corporation, Xerox, Exxon Office Systems, Wordstar
- **Ching-Tai Hu, VP Engineering**
20+ years experience, Cisco, Foxconn, Huawei
- **MS Tseng, VP Manufacturing**
30+ years experience, IBM/Taiwan, Sun Microsystems
- **Dan Oyos, VP Operations**
15+ years experience, Brocade, CNT



Key Partners *in Process*

intel.



NOKIA
Connecting People

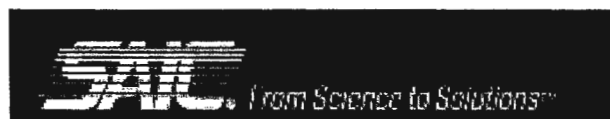
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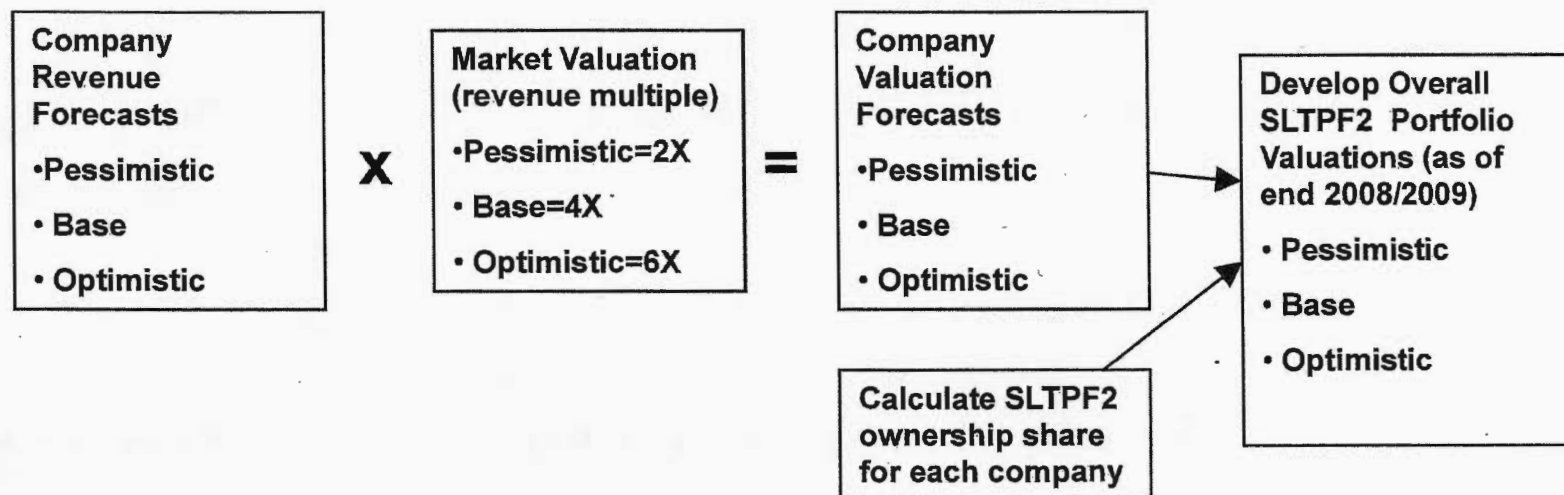


SLT Logic LLC



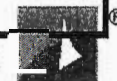
- **SLT Logic LLC owns intellectual property**
 - » Terago Communications (5 patents granted)
 - » Precision IO (fabless semiconductor company) (5 patents granted, 1 patent filed)
 - » Total: 20 patents granted, 30 patents filed and in process
- **SLT Logic LLC licenses intellectual property to**
 - » CorEdge Group, who in turn sublicenses this to
 - SeraStar (systems)
 - CorEdge Networks (subsystems)
 - Hermios (fabless semiconductors)
 - » License involves both equity (Series A Preferred Stock in CorEdge Group) and royalties on total sales

Fund Prospects: Pro Forma Methodology



Valuation Scenario

	InPhase	Hermios (Chips/Cores)	CorEdge (Software, Board, Modules)	SeraStar (Systems)
Revenue Valuation Assumptions	Pessimistic: 2X Realistic: 4X Optimistic: 6X	Pessimistic: 5X Realistic: 8X Optimistic: 11X	Pessimistic: 1X Realistic: 3X Optimistic: 4X	Pessimistic: 2X Realistic: 4X Optimistic: 6X
Basis for Assumptions	Liquidity via IPO High growth expectation- >higher valuation	Liquidity via IPO Premium for high growth in xTCA, major design wins with first tier customers	Acquisition target Low end: 1x for commodity board business Medium/high: premium for first mover in high growth market	Acquisition target Medium/high premium for first mover in high growth market



Reality Check: Public Telecom/Networking Valuation Multiples

Revenue Multiples 10/22/07

Cisco	CSCO	5.50	Nokia	NOK	1.57
Ciena	CIEN	5.17	Motorola	MOT	1.38
Juniper	JNPR	7.44	Alcatel-Lucent	ALU	1.06
Sycamore	SCMR	7.35	Nortel	NT	0.63
Foundry	FDRY	5.26	Ericsson	ERICY	1.63
Next-Generation Equipment		6.14	Zhone	ZHNE	1.18
JDS Uniphase	JDSU	2.39	Tellabs	TLAB	2.00
Corning	GLW	7.24	Traditional Telecom		1.35
Optical Components		4.82			
Qualcomm	QCOM	7.88	Radisys	RSYS	0.91
Transwitch	TXCC	3.80	Interphase	INPH	2.31
PMC Sierra	PMCS	4.89	Kontron	KBCG	1.89
AMCC	AMCC	3.36	Boards		1.70
Broadcom	BRCM	6.03	Seagate	STX	1.20
Total Chips		5.19	Quantum	DSS	0.75
			Storage Drives		0.98
Mellanox	MLNX	9.43			
Cavium	CAVM	22.67			
EZChip	LNOP	26.08			
Chips (Startups)		19.39			



Terms and Conditions Summary

• Securities to be Offered	• Limited partnership interests
• Target Partnership Size	• \$25,000,000 (\$6.7M for first close December 2007)
• Commitment Period	• 6 years, unless otherwise extended—will end with exits
• Management Fees	• ½% Of Committed Capital per Quarter
• Carried Interest of General Partner	• Deal by deal: all investment returned pro rata to LPs, then GP and LPs share net profits 20%/80%



Contact Information

Mailing Address

Signal Lake

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Suite 667

Westport CT 06880-4549 USA

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www.signallake.com

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Michael Weingarten

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Fax:+617.262.7037

Email: mikew@signallake.com

Will Chu

Voice:+617.267.5204

Fax:+617.262.7037

Email: will@signallake.com

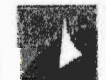


EXHIBIT 9

VICTIM IMPACT STATEMENT

Victim: Bruce MacFarlane
 USAO Number: 2015R00015
 Court Docket Number: 18-CR-00028

Insert the impact of the crime here (or, if a separate victim impact form is attached, please use that form to describe the impact of the crime):

See attached correspondence from Bart Stuck:

- 1) Stuck claimed that all three groups/companies were high quality companies.
- 2) Stuck expected liquidity in at least one of the companies during 2009.
- 3) \$150,000 was invested in two tranches
- 4) Shortly after investment, Stuck stopped sending updates (Q4 2008 was last one sent); Also, stuck never sent K-1s unless prompted.
- 5) He claimed that his fund had \$25,000,000 in assets/commitments to support investments.
- 6) He claimed that the In-Phase funding round of \$11 million would close on October 31 with investment of \$3 million at close and \$8 million remaining to be called.
- 7) Total fraudster -- also agreed and committed to put his own money into investments, but never did.
- 8) Loss from Signal Lake / In-Phase = \$150,000 plus one other investment of \$50,000 in Maxis Capital Group unrelated to this action, but involving Stuck.

EXHIBIT 10

DAKOTA PARTNERS LLC

Mr. Salvatore Cannata
Principal Financial Examiner
Securities and Business Investments Division
State of Connecticut Department of Banking
260 Constitution Plaza
Hartford, CT 06103

RECEIVED
CT. Dept of Banking
SEP 24 AM 10:23

September 23, 2015

Re: *Complaint Against Signal Lake, Barton Stuck, Michael Weingarten*

Dear Mr. Cannata:

I am the sole and managing member of Dakota Partners, LLC (Dakota). Dakota is Delaware Limited Liability Company registered to conduct business in New York with its principal place of business in Westchester County, New York. Between September 2, 2009 and September 2010, I invested Five Hundred Dollars (\$500,000) on behalf of Dakota in a limited partnership known as Signal Lake Side Fund II, LP d/b/a Signal Lake Top Prospects Fund 2 (the Limited Partnership or SLSFII). I wish to file a complaint against the general partner, Signal Lake LLC and against Bart Stuck and Michael Weingarten, who are the principals of Signal Lake LLC, for the reasons set forth below. I understand that you have been in contact with Mr. Shepard regarding his concerns with Signal Lake, Stuck and Weingarten and that is the reason I have addressed my complaint to you.

I wish to make clear that this correspondence is not motivated by the fact that my entire investment was lost. Although I am not happy about that fact, I am concerned about the conduct that lead me to invest in SLSFII, to then increase my investment and the failure to be provided almost no detail, despite many attempts, about how these and other investors' funds were spent and depleted. There are numerous other Signal Lake investors who have expressed similar concerns.

Signal Lake LLC is the general partner of a number of private equity funds including Signal SLSFII, a Delaware limited partnership, the purpose of which is to invest private capital in early stage technology companies and to generate investment returns upon the occurrence of a liquidity event. Signal Lake's home office is in Westport Connecticut, although it actively solicited funds throughout the United States and significantly so in the sate of New York.

1. As Dakota's managing member, on September 2, 2008, I signed a Subscription Agreement on behalf of Dakota to acquire a \$250,000 limited partnership interest in SLSFII. I wired \$150,000 to the Limited Partnership's account at Bank of America on September 2, 2008, \$50,000 to the same account on September 16, 2008 and \$50,000 to that account on January 14, 2009, completing Dakota's commitment as provided under the Subscription agreement.

2. Prior to entering into the Subscription Agreement, I met with Stuck in person in Westport Ct., and spoke with Stuck by telephone on many occasions. Stuck explained that SLSFII and other Signal Lake entities invested in a limited number of select companies forming elite private equity investments that would generate highly favorable returns. Stuck also provided similar information to me over the phone and by email regarding Signal Lake, its principals and SLSFII.

3. I relied upon Stuck's representations and the information and representations provided by Stuck and Signal Lake in deciding to invest in SLSFII.

4. The information and representations included statements regarding Signal Lake's marquis investment in a company named InPhase based in Longmont, Colorado. According to Stuck and Signal Lake, InPhase presented an extraordinary, once-in-a-lifetime investment opportunity because of the compelling intellectual property, products and inventions developed by InPhase, such that InPhase was an excellent candidate for a major liquidity event in late 2009.

5. According to Stuck, InPhase had developed holographic data storage technology that allowed digital information to be transferred and stored quickly, in a high-density format indefinitely. Stuck said holographic storage was a disruptive technology that revolutionized the way digital information would be stored.

6. Stuck and Signal Lake through Stuck, represented that InPhase had entered into important partnerships with major international companies, Maxell and Bayer. Stuck emphasized that InPhase's products were not experimental, that the company had already entered into a business relationship with Turner Broadcasting and was on the verge of bulk sales that would generate tens of millions of dollars of profits. Stuck failed to disclose the very real possibility that the company would never realize appreciable revenue.

7. In a conversation with Stuck on July 20, 2008, Stuck told me that he was raising \$30,000,000 in private equity investments, seventy percent (70%) of which would be invested in InPhase. Stuck stated that although there had been interruptions at InPhase caused by funding holdups and software issues, these were not significant impediments to InPhase's success. Stuck emphasized that there were no serious issues with the technology InPhase had developed, that InPhase was "an exceptional opportunity," that the company had a value of \$150,000,000 as of that date in July and that the company would have a value of \$2,000,000,000 at some point due to the overwhelming demand

for holographic storage. He stated that there was a "legitimate shot" of a return exceeding 20 times invested capital.

8. After the initial investment by Dakota, Stuck transmitted information electronically and by telephone on a periodic basis painting a positive picture of Signal Lake's and SLSFII's financial performance.

9. In the summer of 2009 Stuck contacted me and suggested that I increase Dakota's investment in Signal Lake. In telephone conversations and emails, Stuck told me that InPhase presented an extraordinary investment opportunity, claiming that the company had resolved all prior barriers to full scale commercial production of its primary products and that there were no significant issues that would stand in the way of InPhase's success. In Stuck's own words, it was time to "pile on" the investment, because InPhase was not only close to exploding, but that Stuck had new capital commitments for Signal Lake totaling in excess of \$75 Million. Stuck stated that InPhase's ability to realize large scale commercial sales merely required capital and that Signal Lake had plenty of cash to accomplish this. These statements by Stuck regarding these additional capital commitments were not stated as being conditional, aspirational or probable.

10. On August 27, 2009, Stuck told me over the telephone that Signal Lake had negotiated an investment with "Louie Drefus" totaling \$150 Million, \$75 Million of which would be paid the following week. Of that sum, Stuck said that \$11 Million would be invested in SLSFII, which would be topped off, or fully subscribed, at \$25 Million and the balance of \$66 Million would be invested in a third Signal Lake fund called Signal Lake Side Fund III (SLSFIII). During the conversation, Stuck confirmed that he and Signal Lake were confident that InPhase would be extraordinarily successful.

11. On August 28, 2009, Stuck left me a voice mail and emailed me asking for a decision whether Dakota would invest additional money in SLSFII, seeking a response by August 31, 2009. In his email, Stuck stated that "...I am running out of time, new [sic] investor said September 2009 which is next Tuesday, I have to let them know how much is going into Signal Lake Top Prospects Fund II. Sorry to be a pest, I am being pushed by external events!", conveying the impression that time was of the essence if Dakota wanted to add to the investment and would be foreclosed from doing so if Dakota did not act.

12. In response to Stuck's August 28, 2009 email and the information that Stuck had conveyed in prior emails and telephone conversations, on August 31, 2009, I sent an email to Stuck advising that Dakota would probably add to its investment in SLSFII based on the representations Stuck made about InPhase. I explained to Stuck that this was

...most significantly because of the amount of money coming to the deal, which seems to bode well for InPhase's ability to be aggressive in sales. Since funding is the most important point for me, my understanding is that that the

balance of SLSFII is being filled out and that another approx. 120 mil is coming.
Do you know what the timetable is for the other money. (Emphasis supplied)

13. A few hours later, Stuck responded by email stating that he was "[g]lad to talk live, we are about to draw down \$50M of commitment THIS WEEK. Additional \$25M minimum will be drawn down by end of the year. What are you thinking about doing?"

14. I responded to Stuck by email later that day asking "[i]s there a written commitment or LP agreement for the money and who is it with?", to which Stuck responded by email six minutes later, stating the "LP filled out a subscription booklet just like you!"

15. On September 2, 2009, at approximately 9 AM, Stuck again emailed me, stating in part that he was "[c]hecking in on [Dakota's] decision: Matra and two other investors will be adding another \$75M to Signal Lake in the October time frame, just got off the phone on this Bart[sic]." Later that morning, I responded to Stuck by email stating that "as I understand it, new money coming in will be Dreyfus \$75M and another \$75M next year Matra and Dassault and 2 other investors in October \$75M[sic] Many thanks, and please advise." Approximately 6 minutes later, Stuck responded, "[y]ou have it correct, we are on track to clear \$225M." One minute later, Stuck sent another email stating that [p]ut differently, multiple OTHER investors think this is a great investment opportunity, not just Signal Lake!"

16. Based on Stuck's representations, a short time later I emailed Stuck informing him that Dakota would invest an additional \$250,000, bringing Dakota's total investment in SLSFII to \$500,000.

17. On September 9, 2009, Stuck emailed me stating that the lead investor would be transferring 85% of a \$11 Million commitment to SLSFII and that the investor had asked that other SLSFII limited partners raise their paid in capital to 80% of their capital commitments. I replied by email on the same day to Stuck asking him to confirm the status of lead investor's funding, whether the lead investor was "Dreyfus" (as referred to above) and whether the funds Stuck referred to in his September 9, 2009, email had actually been received. Stuck responded by email stating that "[a]ll of it is coming in this week for SLSFII, we have to tell them what we have committed, And SLSFIII is coming next week[sic]." I responded by email asking Stuck "[w]hat happens if the \$11 M doesn't come in?" Stuck responded, that "[i]t is coming in, they called to say that it coming, and want to know how much to the penny to wire [sic]."

18. On September 11, 2009, Stuck emailed me, stating that "...[w]ire hit at 9:42 to Signal Lake bank account for \$11M [sic] Can you handle your wire of remaining capital commitment, Let me know when it goes through?" In a telephone conversation later that day, Stuck again told me that the major investor's \$11 Million had actually been received, filling out SLSFII at \$25 Million and that Signal Lake had received investments totaling \$75 Million. However, as noted below, Stuck subsequently told me that the \$11 Million had been "pulled back".

19. Later that month, Stuck emailed stating that there was an additional \$20-\$30M of investments coming into SLSFIII. Despite Stuck's repeated representations and assurances that Signal Lake was flush with investment capital, a combined audited financial statement for SLSFII for 2008 and 2009, which was not prepared until September 23, 2010, revealed that SLSFII was actually on the verge of collapse during that time period due to the lack of investment capital.¹ Given that fact, it is mystifying that Stuck could be raising money for another fund when SLSFII needed investment capital.

20. This combined audited financial statement also failed to disclose that an action had been commenced by Acadia Woods Partners, LLC, in New York County Supreme Court on or about September 8, 2010 against SLSFII on a loan Stuck guaranteed on behalf of SLSFII guaranteed for \$5,000,000 (verify amount) between Acadia Woods and InPhase. The Court summarily rejected Stuck's completely unrealistic defense and granted Acadia Woods a judgment, ultimately resulting in the foreclosure of its security and apparently, its ownership of InPhase.

21. In spite of the financial condition of SLSFII, on October 1, 2009, I received a September 30, 2009 3rd quarter pro forma statement for SLSFII showing total capital committed of \$25,000,000, capital invested of \$4,787,577.13 and a private market value of 4,787,577.13

22. On October 6, 2009, in response to my inquiry, Stuck sent an email stating that "Dreyfus" had increased its commitment to \$89M and an initial draw down of the money had already occurred.

23. On November 12, 2009, Stuck emailed a document titled "2009 Signal Lake Annual Meeting November 2009" to accompany a presentation Stuck gave in New York City later that month. The presentation stated that "we continue to be optimistic that Signal Lake Side Fund, Signal Lake Side Fund 2 and Signal Lake 2 each have the potential to return a multiple on committed capital."

24. This document disclosed that Signal Lake had negotiated a buy out of New Venture Partners' (NVP) interest in InPhase, claiming that "NVP's apparent liquidity problem provides Signal Lake with a great opportunity to increase our ownership from current 7.64% at a great price."

25. In an email from me to Stuck on December 9, 2009, transmitting Dakotas' signed consent to extend the life of SLSFII, I asked Stuck about the status of funding.

¹ Note 3 of the financial statement stated that the lack of available capital and the dependence on the profitable liquidation of advanced funds, raise substantial doubt about SLSFII's ability to continue as a going concern. The financial statement also disclosed other irregularities, such as "...certain special arrangements approved by the General Partner" which were not provided for in the Partnership Agreement.

Stuck responded by email the same day, stating that "we are preparing a big memo on funding, InPhase et al, stay tuned".

26. On December 31, 2009, I received an email from Stuck that included a rating for each of the portfolio companies SLSFII was invested in. A rating of "1" indicated the potential for more money back than invested, a "2" rating indicated a potential for an even return of money invested (presumably without loss) and a rating of "3" represented a potential return for less money back than invested. Each company was rated "1". Stuck sent a similar statement, making the same representations, by email on March 31, 2010.

27. On December 31, 2009, I received an email from Stuck for SLSFII showing capital committed to SLSFII of \$25,000,000, with total capital received of 6,487,577.13 and total expenses of \$1,099,055.21.

28. On January 22, 2010, I emailed Stuck about progress at InPhase. Stuck responded by email the same day stating that "InPhase is progressing very well: Hitachi is engaged on new product for home archiving Customers are being engaged, getting more drives and storage media out to customers." Despite these representations, Stuck failed to disclose that InPhase had ceased normal operations in January 2010 and that all of its staff had been laid off.

29. Stuck and Signal Lake did not disclose InPhase's dire circumstances until March of 2010, stating in an email that due to lack of funding, at the end of January, InPhase was forced to lay off its entire staff of 64. He also said that a relaunch of the company would take place ASAP with active Signal Lake involvement, which would begin with a revised operating plan. Once again, Stuck stated that the return on investment would be well in excess of 10X for each fund.

30. On April 12, 2010, Stuck emailed a draft 2009 K1 for Dakota's partnership interest showing the value of Dakota's SLSFII capital account to be \$498,284 and a separate pro forma fund valuation indicating the value of Dakota's interest in SLSFII at \$544,688.05.

31. Due to the seemingly contradictory and limited information from Stuck and Signal Lake, I began an effort to review the books and records of SLSFII. Despite numerous demands and requests, Stuck failed to provide the information I was entitled to under the LP agreement, although he did send a couple of bank statements, as explained below.

32. On May 19, 2010, I advised Stuck by email that Dakota wanted to sell \$250,000 of its \$500,000 investment. Stuck responded by email on the same day indicating that he would see what "could be done". In a subsequent email on that day, Stuck stated that he had contacted two agents in response to my request.

33. On May 21, 2010, I emailed Stuck, advising that I wanted to get a better handle on the status of SLDFII's investments and was interested in reviewing detailed information about each portfolio company's financials, revenues and prospects, the minutes of board meetings for the preceding year, as well as SLSFII's books and records, funding levels and outstanding capital commitments from the general and limited partners. I told Stuck that I would like to schedule a phone call with him the following week to discuss the best way to proceed and asked him to let me know when he was available by phone.

34. Receiving no response, I emailed Stuck on May 25, 2010, asking to schedule a conversation concerning my May 21, 2010, email. Stuck responded on the same day by email stating that he was in contact with three agents looking to place my request for a secondary sale of \$250,000 and would let me know. In response to my request to see the books and records of SLSFII, Stuck indicated that it would cost the company money to get the documents together and asked if I was willing to pay for these costs.

35. The following day, May 26, 2010, I responded to Stuck by email expressing my concern that Signal Lake could not possibly fulfill its fiduciary duties if it did not have the basic financial documents I had requested. From my perspective, this meant that Stuck and Weingarten were operating in the dark. I told Stuck that I would like to start by looking at the documents that SLSFII did have and asked when they would become available.

36. Stuck responded by email on the same day, stating that:

Because Signal Lake has funded InPhase to pull together the documents Signal Lake wants, which it can then review, such as 2008 audited financials, 2009 audited financials, all of which were ignored by the lead investor, and these will be available in the next few weeks according to InPhase; welcome to the world of private equity, where the lead investor stomped on the rights of all other investors.

37. Stuck's, and Weingarten's failure to provide basic financial documents caused me to wonder whether they were intentionally hiding information and if so, why.

38. On June 10, 2010, by I emailed Stuck inquiring whether he had received the information from InPhase as referenced in Stuck's May 26, 2010, email. Stuck responded by email the same day, stating that he had spoken with InPhase's CFO who told Stuck that the 2008 and 2009 financials were being wrapped up and would be available shortly.

39. I emailed Stuck shortly after this last email and told him that I intended to visit InPhase in Colorado. Stuck responded by email on the same day stating that InPhase had "...Hitachi visiting next week, critical negotiations on new low end drive/storage media Let me check [sic]."

40. Stuck's response is telling because on June 23, 2010, I traveled to InPhase's headquarters in Longmont, Colorado, and met with its acting CEO, Kevin Curtis and its acting CFO David Kempf and toured InPhase's facility. I observed that InPhase seemed to have been closed except for a handful of employees. It seemed clear to me that Stuck did not want me to learn this and that the alleged critical negotiations with Hitachi was probably an excuse.

41. In my discussion with Mr. Curtis, he indicated that if InPhase had another interruption in its normal operations (assuming that there was enough financing forthcoming to recommence normal operations) the company would not survive. Incredibly, Mr. Curtis also told me that he (Mr. Curtis) did not have the skills or experience to serve as the CEO of InPhase. Curtis later forwarded an operating plan review dated June 2010, by email, which indicated that InPhase required approximately \$35 Million in capital.

42. I emailed Stuck on July 1, 2010, advising him of my meeting at InPhase. I reminded Stuck of his representations to me that Signal Lake and SLSFII had sufficient capital to meet InPhase's needs. I asked to meet with Stuck the following week and asked Stuck to make SLSFII's books and records available for my inspection as I was entitled to under the LP agreement. Stuck responded by email the same day, indicating that he was traveling outside of the U.S. and had limited email and telephone access.

43. On July 6, 2010, I emailed Stuck asking to meet with him on July 8, 2010. Stuck responded by email that he was not available. Because Stuck did not propose an alternative date for the meeting, I emailed Stuck the same day and asked Stuck to propose alternate dates.

44. During a conference call Stuck held on July 17, 2010, Stuck again reported and represented InPhase's condition as being favorable. Stuck also stated that Signal Lake had sufficient capital, or had access to capital commitments, to meet InPhase's financial needs, stating that another entity, Maxis, had committed \$30 Million to Signal Lake and had agreed that Signal Lake could draw down these funds as needed once Signal Lake submitted a revised InPhase business plan to Maxis.

45. During that call, I disclosed my observations of InPhase on my June 23, 2010, visit there. The other investors conveyed distress, dismay and concern that Signal Lake and Stuck had not communicated this information to them and that the information was contrary to representations about InPhase, particularly with regard to InPhase's financial condition and its ability to generate substantial sales revenues.

46. I also noted that Mr. Curtis had told me that he did not have the skills or experience to serve as InPhase's CEO. Incredibly, Stuck stated that he agreed with Curtis' assessment. Yet Stuck also stated that he had directed Curtis to prepare a new operating plan for the company, which Stuck intended on presenting to Maxis. At my request and at the request of the other investors participating in the July 17, 2010, conference call, Stuck agreed that he would (i) forward a copy of the new InPhase

business plan to the investors when he received it from Curtis (which Stuck indicated that he was expecting soon); (ii) hold regular monthly updates by phone; (iii) contact Maxis to hold a conference call with me and other investors to be briefed on Maxis' investment commitment to Signal Lake and (iv) send a group email to the investors who participated in the July 17, 2010, to inform them of the email addresses of each other because Stuck continued to hide contact info of the other investors. I emailed Stuck on July 22, 2010, confirming the foregoing and requested that Stuck provide the email addresses of the investors who had participated in the July 17, 2010, call, which Stuck said he would provide but did not.

47. On July 25, 2010, I advised Stuck by email that Dakota wanted to sell its SLSFII investment but if Stuck could not find a buyer, that I wanted to review SLSFII'S books and records, including all SLSFII limited partnership agreements, bank statements, checking account statements, financial statements, balance sheets, ledgers, journals, profit and loss statements, tax returns and documents indicating whether there were any limited partner commitments that had not been paid for 2008, 2009 and 2010 to the present.

48. Stuck did not respond to this email. On August 3, 2010, I emailed Stuck asking to inspect SLSFII's books and records on August 6 or August 7. Stuck's email response on the same day indicated that he was out of the office but that there were two limited partners who had an interest in buying Dakota's position in SLSFII.

49. On August 4, 2010, Stuck emailed me stating that he was unavailable on August 6 or August 7, but suggested a meeting for the following week. I responded by email the next day stating that the following week was fine and asked Stuck to select times. When Stuck failed to respond, I again emailed Stuck, who then responded, saying "[w]ill do, we are going to Long Beach Island tonight, will sort out schedule with my wife."

50. On August 9, 2010, I emailed Stuck again asking what days he was available for me to review SLSFII books and records. Stuck responded by email on August 11, 2010, stating that accountants were finishing the audit for 2009 for Signal Lake Side Fund II, that he was working with them to resolve any and all open issues, and that he could then can share with me the audited financials of the fund, as well as bank statements, confirmations of investments and other information.

51. On August 17, 2010, Stuck emailed me indicating that the "[a]ccountants are in final scrub of Signal Lake audit, will send when I get it, should be any day, and we can meet to go over all other items". On the same day, Stuck sent me two additional emails, the last of which stated that Stuck "...got a draft version of the Signal Lake Side Fund II LP audited financials, and it contained two major errors that I have asked the accountants to fix immediately [sic]."

52. Despite Stuck's representations, he did not send the information. On September 23, 2010, I emailed Stuck again asking for the information and to set up a meeting with him in person. Stuck responded by email later that day stating that "I am

reviewing draft audited financials from accountants, and will send that over, along with other materials for your review All fund financials can be exported into Excel, so will send over a workbook [sic].”

53. On October 5, 2010, I again asked when Stuck would be sending the financial records I had asked for. Stuck responded by email that day stating that the information would be forthcoming “[m]omentarily, going through final review and scrub”.

54. On October 7, 2010, by email, I again asked Stuck to produce copies of bank account statements, including the current statement, for SLSFII. Stuck responded the same day by email and forwarded one or two bank statements for SLSFII, one of which was a September 20, 2010, Silicon Valley Bank statement for SLSFII. This statement shows deposits of \$600,000 and withdrawals of \$469,314.67, including the following debits:

9/16/2010:	\$10,000	Management Fee
	\$33,250	Accounting Fees
9/17/2010:	\$10,000	Management Fee
9/20/2010:	\$ 5,000	Expenses
9/21/2010	\$10,000	Management Fee
9/23/2010	\$20,545	Accounting Fee
9/24/2010	\$50,000	BNF Maxis
9/27/2010	\$50,000	BNF Maxis
	\$ 5,000	Management Fee
9/29/2010	\$ 5,000	Management Fee

55. After reviewing this bank statement, on October 7, 2010, I emailed Stuck asking him to explain the lack of capital. Stuck responded by email, stating that capital commitment just means capital committed and that when a fund says it has \$25,000,000 in assets under management, in private equity it means that it has commitments for that amount of money.

56. On October 28, 2010, I emailed Stuck, stating as follow:

Perhaps we are having a language problem, but your response is at odds with what you told me last year when I made an additional \$250k commitment to SLSFII. In fact, you asked me to put the rest of my money into SLSFII because the largest investor was going to put their money into SLSFII. It seems fundamentally unfair that some of us were pushed to put the balance of our investment in while others have not done so, particularly since it appears from the bank statement that there is very little money left in SLSFII. Can you explain sent the funds.

57. Stuck’s email response of the same day stated that:

...[s]till out of office; accountants have received documents from major investor to completely fill up SLSF2, and they are using this in audited financials. In fact, major investor is paying penalties for its delay in filling its entire commitment; some monies have indeed been advanced, but they still have to fund Over \$15M per documents. This is happening now, and I am on phone with them now. Will call when I am free (sic)

Stuck never called.²

58. On October 8, 2010, by email, I asked Stuck to return the money Dakota had invested. He responded the same day by email stating that he had a buyer and needed to confirm the terms, including the buyout price.

59. In email exchanges that then occurred between Stuck and me, he said that there was a buyer interested in purchasing Dakota's partnership interest. When I pressed him, Stuck stated that the buyer was engaged in other matters and the sale never occurred.

60. A Signal Lake Annual meeting was held in the Fall of 2010 in Palo Alto, Boston and New York City. I had learned sometime prior to the meeting that a \$5 Million loan Stuck had negotiated with Acadia Woods on behalf of InPhase, using InPhase's assets as collateral and guaranteed by Signal Lake, was in default and that Acadia Woods had sued to InPhase to foreclose its collateral and Signal Lake on the guarantee.

61. The Boston meeting took place in October or November, which I attended. Weingarten was present and my recollection is that Stuck was also present. The New York meeting took place on November 12, 2010. I also attended that meeting. At both meetings, representations were made by Stuck regarding the potential success of the Signal Lake entities and investments.

62. At the meeting in NY, Stuck continued to paint a positive picture. When I questioned Stuck about this he began to yell and scream and told me to shut up. When I questioned him about the money he said had been received when I was induced by him to transmit my second \$250,000 tranche, incredibly, he said that the money had been received by Signal Lake but the investor had pulled the money back.

63. On April 11, 2011, I sent a formal Books and Records Demand to Signal Lake. Signal Lake's response by Stuck essentially indicated that accountants were working on the books and records and that once the accountants were done, the documents would be made available to me.

² The debit for management fees seems inconsistent with the Limited Partnership's dire financial circumstances and from my perspective as an investor, a preferential transfer.

64. After a number of other Limited Partners voiced similar concerns, three other investors and I had a phone call with Stuck on April 21, 2011, in which Stuck promised to provide the books and records but failed to do so.

65. I tried to obtain the financial information I had requested a number of times, including trying to schedule a meeting directly with the accountants, but Signal Lake's accountant would not authorize a meeting at his offices.

66. The last communication I received from Stuck was an email on September 10, 2015, attaching Dakota's 2014 K1. Dakota's 2014 K1 shows nonrecourse liabilities of \$57,364 and a capital account balance of \$56,988.

67. In the last few months at least two Signal Lake investors have told me of communications from Stuck indicating that Signal Lake had entered into a deal with a Chinese investor that would result in a return of investment with the likelihood of a profit. Stuck never informed me that such a deal was allegedly taking place and apparently the deal never materialized.

Thank you for taking the time to review this matter. I can be reached at your convenience at anthonydicaprio@gmail.com or by phone at (917) 439 5166 and will make myself available should you wish to meet in person. I have nearly all of the emails I have quoted from and the documents discussed in this complaint.

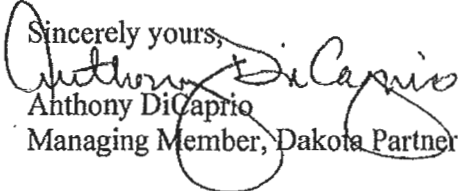
Sincerely yours,

Anthony DiCaprio
Managing Member, Dakota Partners, LLC

EXHIBIT 11

Wednesday, October 7, 2015 at 3:05:50 PM Eastern Daylight Time

Subject: RE: Phone Call Followup re Signal Lake

Date: Monday, August 31, 2009 at 4:20:50 PM Eastern Daylight Time

From: Bart Stuck

To: Anthony DiCaprio

LP filled out a subscription booklet just like you!

From: Anthony DiCaprio [mailto:ad@humanrightslawyers.com]

Sent: Monday, August 31, 2009 4:15 PM

To: Bart Stuck

Subject: RE: Phone Call Followup re Signal Lake

Bart:

Is there a written commitment or LP agreement for the money and who is it with?

Thanks again for all your efforts.

A

From: Bart Stuck [mailto:bartstuck@signallake.com]

Sent: Monday, August 31, 2009 12:22 PM

To: Anthony DiCaprio

Subject: RE: Phone Call Followup re Signal Lake

Glad to talk live, we are about to draw down \$50M of commitment THIS WEEK

An additional \$25M minimum will be drawn down by end of year, and the rest next year

What are you thinking about doing?

From: Anthony DiCaprio [mailto:ad@humanrightslawyers.com]

Sent: Monday, August 31, 2009 10:48 AM

To: Bart Stuck

Subject: RE: Phone Call Followup re Signal Lake

Dear Bart:

I am likely to add to my position. It seems InPhase is on the precipice of commercializing sales and that the competition is at a significant timing disadvantage. Ultimately though, I am most impressed by the amount of money coming to the deal, which seems to bode well for InPhase's ability to be aggressive in sales.

Since the funding is the most important point for me, my understanding is that the balance of SLSFII is being filled out and that another approx. 120 mil is coming. Do you know what the timetable is for the other money.

Many thanks,
Anthony

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Friday, August 28, 2009 11:21 AM
To: adicaprio@dakotapartnersllc.com
Subject: Phone Call Followup re Signal Lake

Anthony:

Monday is 31 August 2009. Can you give me some idea where you are at in your decision process after mulling on all of this over the weekend: if you have interest, if others have interest, glad to try and get you in, but I am running out of time, new investor said September 2009 which is next Tuesday, I have to let them know how much is going into Signal Lake Top Prospects Fund II. Sorry to be a pest, I am being pushed by external events!

Bart Stuck
Managing Director
606 Post Road East, Suite 667
Westport CT 06880
Telephone +1.203.454.1133
Fax +1.203.454.7142
BartStuck@SignalLake.Com
signallake.com

SIGNAL LAKE



EXHIBIT 12

Wednesday, October 7, 2015 at 3:07:38 PM Eastern Daylight Time

Subject: RE: Checking In Re Signal Lake

Date: Wednesday, September 2, 2009 at 1:00:26 PM Eastern Daylight Time

From: Bart Stuck

To: Anthony DiCaprio

Anthony:

Thank you for all your support for Signal Lake

Can you fill out two pages in subscription booklet (we have the rest on file:

Signature page and Exhibit A showing capital commitment), fax to +1.203.454.7142

And then send over funds. I will countersign signature page and return as a PDF for your files

Bart

From: Anthony DiCaprio [mailto:ad@humanrightslawyers.com]

Sent: Wednesday, September 02, 2009 12:55 PM

To: Bart Stuck

Subject: RE: Checking In Re Signal Lake

Bart:

Thank you for all the time that you have devoted to this deal and the significant effort you have made to help me understand the opportunity, in spite of the fact that my investment is not great in comparison to the others.

I would like to invest an additional total of \$250,000 (new money) in the deal, which will bring my total investment to \$500K.

Again, many thanks for your hard work.

Best,

Anthony

From: Bart Stuck [mailto:bartstuck@signallake.com]

Sent: Wednesday, September 02, 2009 11:46 AM

To: 'Bart Stuck'; Anthony DiCaprio

Subject: RE: Checking In Re Signal Lake

Put differently, multiple OTHER investors think this is a great investment opportunity, not just Signal Lake!

From: Bart Stuck [mailto:bartstuck@signallake.com]

Sent: Wednesday, September 02, 2009 11:45 AM

To: 'Anthony DiCaprio'

Subject: RE: Checking In Re Signal Lake

You have it correct, we are on track to clear \$225M

From: Anthony DiCaprio [mailto:ad@humanrightslawyers.com]
Sent: Wednesday, September 02, 2009 11:39 AM
To: Bart Stuck
Subject: RE: Checking In Re Signal Lake

Bart:

As I understand it, new money coming in will be
Dreyfus \$75M and another \$75M next year
Matra and Dassault and 2 other investors in October \$75M

Many thanks, and please advise.

Best Regards,
Anthony

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Wednesday, September 02, 2009 9:03 AM
To: adicaprio@dakotapartnersllc.com
Subject: Checking In Re Signal Lake

Anthony:
Thank you most sincerely for all your support for Signal Lake
Checking in on your decision: Matra and Dassault and two other investors will be adding another \$75M to
Signal Lake in the October time frame, just got off the phone on this
Bart

Bart Stuck
Managing Director
606 Post Road East, Suite 667
Westport CT 06880
Telephone +1.203.454.1133
Fax +1.203.454.7142
BartStuck@SignalLake.Com
signallake.com

SIGNAL LAKE



EXHIBIT 13

Wednesday, October 7, 2015 at 3:11:09 PM Eastern Daylight Time

Subject: RE: Wire Hit

Date: Friday, September 11, 2009 at 3:07:31 PM Eastern Daylight Time

From: Bart Stuck

To: Anthony DiCaprio

Anthony:

Did you do the wire yet>?

Bart

From: Anthony DiCaprio [mailto:ad@humanrightslawyers.com]

Sent: Friday, September 11, 2009 12:08 PM

To: Bart Stuck

Subject: RE: Wire Hit

Bart: I am still in my call and will call you after 1 PM. Thanks, Anthony

From: Bart Stuck [mailto:bartstuck@signallake.com]

Sent: Friday, September 11, 2009 9:45 AM

To: Anthony DiCaprio; adicaprio@dakotapartnersllc.com

Subject: Wire Hit

Anthony:

Wire hit at 9:42AM to Signal Lake bank account for \$11M

Can you handle your wire of remaining capital commitment,

Let me know when it goes through?

Bart

Bart Stuck

Managing Director

606 Post Road East, Suite 667

Westport CT 06880

Telephone +1.203.454.1133

Fax +1.203.454.7142

BartStuck@SignalLake.Com

signallake.com

SIGNAL LAKE



EXHIBIT 14

VICTIM IMPACT STATEMENT

RECEIVED

2019 JAN -2 AM 10: 16

U.S. ATTORNEY'S OFFICE
NEW HAVEN, CONNECTICUT

Victim: Suhas S Patil & Jayashree Suhas Patil
USAO Number: 2015R00015
Court Docket Number: 18-CR-00028

Insert the impact of crime here:

1. Investment into Signal Lake Venture funds: \$750,000 in Signal Lake II Strategic Partners, LLC on Sept 5, 2000, and \$1,125,000 into Signal Lake Venture Fund II. LP on Oct. 25, 2000. Copies of checks showing these payments is enclosed. It was known to the investor that investment in venture funds is risky financial investment. What is unusual in case of Signal Lake funds is that none of the investments made by the two Signal Lake funds had successful outcome. There has been no distribution from the Signal Lake funds to Suhas S. Patil and Jayashree S. Patil Community property.
2. Information that may be of interest: Within six months of the closing of the funds there was litigation between Suni Munshani, one the partners and Signal Lake funds and the other partners of Signal Lake funds and the Signal Lake Funds. This event increased the risk profile of the investment. At the same time the fund made a second capital call that would have drawn 50% of the funds within six months of the closing of the funds. A group of west cost investors challenged this capital call and refused to provide additional funds. An agreement was reached with the general partners of Signal Lake funds on July 27, 2001 that capped the participation into the fund at what was already invested.
3. In September of 2010 Bart Stuck approached Suhas Patil and Sabeer Bhatia for short term loan to Signal Lake Side Fund II in support of InPhase Technologies. According to Bart Stuck he was expecting major commitment of funds for InPhase from a major investor. Suhas S. Patil and Jayashree S Patil provided \$100,000 in loan to Signal Lake Side Fund II as a bridge loan to give InPhase Technologies a chance to succeed. Investment by major investor that Bart Suck was expecting did not materialize. Copies of emails exchanged between Bart Stuck and Suhas Patil and between Bart Stuck and Sabeer Bhatia that were copied to Suhas Patil are enclosed. This load has not been repaid.

Prepared and submitted by



Suhas S. Patil

Cupertino, CA 95014

Cell Phone

SuhasP@gmail.com

Dec. 29, 2018

EXHIBIT 15

VICTIM IMPACT STATEMENT

Victim: Sabeer Bhatia
USAO Number: 2015R00015
Court Docket Number: 18-CR-00028

RECEIVED
2018 DEC 31 AM 8:34
U.S. ATTORNEY'S OFFICE
NEW HAVEN, CONNECTICUT

Insert the impact of the crime here (or, if a separate victim impact form is attached, please use that form to describe the impact of the crime):

I have made the following investments in
Signal Lake Entities as - Sabeer Bhatia Trust
V/D/T Aug 6, 1998:

- 1). Signal Lake II Strategic Partners, LLC - \$500K
9/26/200 - \$200K ; 10/29/200 - \$300K.
- 2). Signal Lake Side Fund LP - \$1,250,000.
6/30/2004 - \$100K ; 12/31/05 - \$50K ; 3/31/07 \$100K ; 6/30/07 - \$1.0M
- 3). Signal Lake Side Fund II LP - \$2,450,000.
11/29/07 - \$200K ; 12/29/07 - \$1.0M ; 5/15/08 - \$1.0M ; 9/16/10 \$250K
- 4). Signal Lake Side Fund 3 LP - \$500K.
11/31/2011 - \$500K.

As recently at 2016 Bart Stuck ~~indicated~~
communicated to us that we as investors
would get our money back and then
some. He seemed to indicate that there
was a real funding source ready to buy
the patents of one of his portfolio companies -
InPharx. In ~~as~~ short we could not determine
if Bart was lying or telling the truth.

Sabeer Bhatia
Los Altos, California
12/25/2018

EXHIBIT 16

Gmail - Closure of financing.

<https://mail.google.com/mail/u/0?ik=ea94a6631f&view=pt&sear...>



Suhas Patil <suhasp@gmail.com>

Closure of financing.

Bart Stuck <bartstuck@signallake.com>
To: Sabeer Bhatia <sabeer@hotmail.com>
Cc: Suhas Patil <suhasp@gmail.com>

Sat, Nov 20, 2010 at 6:24 AM

InPhase is cooking, I am still waiting on final sign off of monies, any day now, and then will return all your monies, plus interest!

From: Sabeer Bhatia [mailto:sabeer@hotmail.com]
Sent: Friday, November 19, 2010 7:33 PM
To: Bart Stuck
Cc: Suhas Patil
Subject: Closure of financing.

Bart:

Hope the financing is now closed and InPhase is on its way to generating serious revenue.

I am sorry I missed the Annual Signal Lake meeting. Please send me the presentation slides.

Also, when can we expect our investment to be returned?

Thanks,
Sabeer

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15920

EXHIBIT 17

Gmail - RE: Loan Repayment

<https://mail.google.com/mail/u/0?ik=ea94a6631f&view=pt&sear...>



Suhas Patil <suhasp@gmail.com>

RE: Loan Repayment

Sabeer Bhatia <sabeer@hotmail.com>
To: Bart Stuck <bartstuck@signallake.com>
Cc: suhasp@gmail.com

Tue, Jan 4, 2011 at 5:47 PM

Bart:

What is the status of this now? Have the funds come in?

Thanks,

Sabeer

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Monday, December 20, 2010 6:23 AM
To: 'Sabeer Bhatia'
Subject: Loan Repayment

On Friday, December 10, 2010, we were informed that our major investor
Had initiated a wire transfer from outside the US to a Bank of America account
Inside the US for \$2,000,000. We are waiting to confirm receipt of these funds.
We checked three times in the last week, and were told that the wire is coming,
But it is going through US banking checks with regard to Homeland Security;
These checks have been done in the past with other funds transfers, and we expect
To be able to confirm receipt of funds in the immediate future, which will allow
Us to return monies to you.

16420

Gmail - RE: Loan Repayment

<https://mail.google.com/mail/u/0?ik=ea94a6631f&view=pt&sear...>

SIGNAL LAKE



Bart Stuck

Managing Director

Signal Lake

606 Post Road East, Suite 667

Westport CT 06880

<http://signallake.com/>

Gmail - Loan Repayment

<https://mail.google.com/mail/u/0?ik=ea94a6631f&view=pt&sear...>



Suhas Patil <suhasp@gmail.com>

Loan Repayment

Bart Stuck <bartstuck@signallake.com>
To: Suhas Patil <suhasp@gmail.com>

Mon, Dec 20, 2010 at 6:22 AM

On Friday, December 10, 2010, we were informed that our major investor
Had initiated a wire transfer from outside the US to a Bank of America account
Inside the US for \$2,000,000. We are waiting to confirm receipt of these funds.
We checked three times in the last week, and were told that the wire is coming,
But it is going through US banking checks with regard to Homeland Security;
These checks have been done in the past with other funds transfers, and we expect
To be able to confirm receipt of funds in the immediate future, which will allow
Us to return monies to you.

SIGNAL LAKE



Bart Stuck

Managing Director

Signal Lake

606 Post Road East, Suite 667

Westport CT 06880

<http://signallake.com/>

18920

EXHIBIT 18

VICTIM IMPACT STATEMENT

RECEIVED

2018 DEC 12 PM 12:02

U.S. ATTORNEY'S OFFICE
NEW HAVEN, CONNECTICUT

Victim: Jerry Goldstone
 USAO Number: 2015R00015
 Court Docket number: 18-CR-00028

I began investing in Signal Lake funds in September, 1999 and continued making investments in subsequent Signal Lake funds through November 2010. My recollection is that a few portfolio companies were sold over the years, but no funds were distributed. All of the money invested was lost.

I invested the following amounts in Signal Lake funds (see Exhibit 1):

Fund	Dates	Amount
Signal Lake Venture Fund I	September 1999 thru July 2000	\$500,000
Signal Lake Venture Fund II	August 2000 thru July 2002	\$500,000
Signal Lake Side Fund I	December 2005 thru June 2007	\$500,000
Signal Lake Side Fund II	December 2007 thru November 2010	\$500,000*

It became clear by 2005 that Signal Lake Venture Fund I and II were not doing well. According to Bart Stuck, a few of the portfolio companies had good prospects, but would need more funding to profitability than the two Signal Lake venture funds could provide. Thus the two side funds were created to bring in new investors and new investment from existing limited partners. The new funds would focus on the top prospects. In the end, it all depended on InPhase Technologies, a holographic storage company in Colorado.

In the third quarter 2011 reports (dated September 30th) for the three Signal Lake funds that owned it, InPhase was listed with a total private market value of almost \$27 million. InPhase declared bankruptcy in October 2011 (less than 30 days later), and, apparently, most of its employees had been laid off sometime before that. There was an attempt to raise new funds to buy the company's assets out of bankruptcy and restart operations, but, as far as I know, nothing came of that. There was no return to existing investors.

There were two particular instances over the years that stick out in my mind as odd or suspicious.

The first was in November 2010. Stuck sent out an email stating that Maxis Capital had committed at least \$1 million to Signal Lake Side Fund II no later than December 15, 2010. Because capital was urgently needed, Stuck solicited a 30-day "bridge loan" from any current investors in the fund who were interested, and announced he, himself, was making a \$250,000 commitment. The new capital commitment would be paid back when the Maxis funds arrived in about a month. To sweeten the deal, the investor commitment would earn 8% interest, the investor would retain the equivalent percentage ownership of the fund even after the money was returned, and Stuck would guarantee repayment of the investors' commitment up to \$200,000 from his funds because he was so certain of the Maxis Capital commitment. I invested \$200,000—my final investment in Signal Lake Side Fund II.

* My final investment in Signal Lake Side Fund II of \$200,000 is shown in Exhibit 2.

-2-

The Maxis funding never materialized, no other substitute funding could be found, and my \$200,000 commitment was never repaid. The email train associated with this is included as Exhibit 2.

The second incident occurred in March 2011. I received an email from Bart Stuck informing me that Signal Lake management borrowed funds in the past from the Signal Lake Side Funds, but that it had been repaying these loans in 2010. As a member of the Advisory Board for both funds, he wanted me to sign a consent form stipulating that Signal Lake management had repaid several million dollars in 2010 to the two funds. This was the first time I had heard that I was a member of the advisory boards of the two funds, or, even, that advisory boards existed. I informed Stuck that I could not sign the consent forms because I had no knowledge of the referenced financial transactions. The email and consent forms are included as Exhibit 3.

My biggest general impression of the Signal Lake management over the years was sloppy accounting. K-1 forms and audit reports were often late in coming, and percentage allocations were sometimes wrong. I created a series of grantor trusts over the years to hold my ownership in the various Signal Lake funds. This required a series of percentage assignments to a series of trusts. Signal Lake management often got this wrong. In the end, I created an Excel spreadsheet for Stuck showing the transfer of ownership percentages to and from the various trusts. I always attributed this sloppiness to the small size of the organization, but it should have been a red flag.

A handwritten signature in black ink, appearing to read "Jerry Goldstone", written over a horizontal line.

Jerry Goldstone
jgoldstone38@gmail.com
Tel:

EXHIBIT 19

EXHIBIT 2

Jerry Goldstone

From: Bart Stuck <bartstuck@signallake.com>
Sent: Tuesday, November 16, 2010 6:51 AM
To: 'Jerry Goldstone'
Subject: Maxis Investor Funding of Signal Lake Side Fund II LP
Attachments: image001.jpg; SLSFIISubAgreement050110.pdf

We were informed last night that Maxis Capital will be funding its capital commitment to Signal Lake Side Fund II LP no later than 15 December 2010,
For at least \$1,000,000.

We are offering all investors in Signal Lake Side Fund II LP the following offer

- 1) make a capital commitment to Signal Lake Side Fund II LP of \$100,000 or more; I will be making \$250,000 capital commitment
- 2) the funds for capital commitment will be returned no later than 15 December 2010 when Maxis funds arrive
- 3) the capital will be returned, with the capital commitment still in place, to enjoy whatever returns come later

If you are interested, please fill out just Exhibit A and Signature Page, and wire funds TO NEW BANK ACCOUNT AT SILICON VALLEY BANK!!

Glad to answer any and all questions



Bart Stuck
Managing Director
Signal Lake
606 Post Road East, Suite 667
Westport CT 06880
<http://signallake.com/>

EXHIBIT 20

Jerry Goldstone

From: Bart Stuck <bartstuck@signallake.com>
Sent: Thursday, November 18, 2010 8:27 AM
To: 'Jerry Goldstone'
Subject: Signal Lake Side Fund II LP Loan Offer
Attachments: image001.jpg; SLSFIISubAgreement050110.pdf

A major investor will be investing at least \$1M by 15 December 2010 into Signal Lake Side Fund LP, and has offered to pay back any investor that makes an additional capital commitment now when this money hits, so the new capital commitment would be returned, but the capital commitment would still be in the fund:
this is not a buyout of the capital commitment, rather a return of the committed capital as a bridge loan.

So far, I have committed \$200,000, and three others have committed an additional \$450,000 total

I will offer to cover up to \$200,000 of any additional new capital commitment, out of my commitment, as a show of good faith, and because I am sure this funding will hit.

If there is interest, please fill out subscription booklet Exhibit A and signature page, and wire funds.

As always, glad to answer any and all questions, mobile: +1.203.722.2149

Thank you most sincerely for all your support for Signal Lake over the years



Bart Stuck
Managing Director
Signal Lake
606 Post Road East, Suite 667
Westport CT 06880
<http://signallake.com/>

EXHIBIT 21

From: Jan Loeber <janloeber@msn.com>
Sent: Monday, January 24, 2011 4:16 AM
To: Bart Stuck
Subject: Re: Signal Lake Side Fund III to Invest in InPhase

Hi Bart,

I am potentially willing to invest the \$799,000 and Interest you (SL II) owe me in SL III depending on if/how this can be arranged.

Please let me know.

Jan Loeber

----- Original Message -----

From: Bart Stuck
To: 'Jan Loeber'
Sent: Sunday, January 23, 2011 9:17 PM
Subject: Signal Lake Side Fund III to Invest in InPhase

Signal Lake funds now own all preferred stock in InPhase Technologies, a holographic disk drive and digital storage media business

InPhase needs an additional \$3M to get product shipped to customers, and \$5M to achieve breakeven in revenues/expenses (sixteen months out with the shipment of 80+ disk drives and hundreds of pieces of storage media per drive)

We have created Signal Lake Side Fund III to invest in InPhase (term sheet, operating agreement, subscription booklet attached) plus an InPhase overview

I will be personally investing \$250,000 on Monday, 24 January 2011; glad to have you invest as well, glad to answer any questions

SIGNAL LAKE



Bart Stuck
Managing Director
Signal Lake
606 Post Road East, Suite 667
Westport CT 06880
<http://signallake.com/>

EXHIBIT 22



OFFICIAL RECORD

FEDERAL BUREAU OF INVESTIGATION

Date of entry 11/18/2016

Jan Loeber, was interviewed telephonically on 10/25/2016 and 11/08/2016 at telephone number _____, email Janloeber@msn.com. After being advised of the identity of the interviewing Agent and the nature of the interview, Loeber provided the following information:

Loeber was introduced to Bart Stuck by Allen Mendelson (ph), a colleague of Loeber's when he worked at AT&T. Loeber explained that in approximately 2000, Mendelson had invested with Stuck and was pleased with his performance. Loeber learned that Stuck was investing in an interesting mix of technology and decided to invest with him.

Loeber invested in Stuck's Funds and stated that he "got involved in all of them." Loeber specifically identified Signal Lake Fund 1, 2, and the Sidefund, as Funds he recalled investing in. Loeber tracked the Funds' performance with the K-1's he received, annual reports, and the investor meetings he attended. Overall, the companies Signal Lake invested in "wound-up tanking."

Before Loeber invested \$500,000 in a Signal Lake Fund in approximately February, 2012, Stuck invited Loeber to attend an investor meeting at InPhase Technology in Colorado. Loeber explained that Signal Lake was investing in InPhase and that it was an opportunity for investors to view a demonstration of InPhase's technology.

In Colorado, InPhase demonstrated the abilities of its holographic storage devises. Attending the meeting at InPhase were 4 investors, 1 or 2 InPhase employees, and Stuck. During the demonstration, one of the InPhase designers talked about their technology and explained that storage devise was a "bit unwieldy" as its size was approximately 10"x10"x20". The designer explained that further development was needed in order to "minaturize" the device to make it commercially viable.

Loeber's impression of InPhase's facilities was that it was not a "buzzing company" and that it was in "mothballs." It was "clearly not in operating mode." Loeber believed that InPhase was the defendant in a lawsuit at around that time.

Investigation on 10/08/2016 at New London, Connecticut, United States (Phone)File # 318B-NH-5821969Date drafted 11/08/2016by MUNSTER MARK E

FD-302a (Rev. 05-08-10)

318B-NH-5821969

Continuation of FD-302 of (U) Interview of Jan Loeber . On 10/08/2016 . Page 2 of 2

Loeber explained that at that point he had already invested a lot of money with Signal Lake and thought that this might be a "breakthrough" opportunity.

Stuck advised investors at the InPhase demonstration the pros and cons of investing in InPhase. According to Loeber, Stuck explained that there were development risks with InPhase's technology. However, if their products hit the market at the right time, there was the potential that investors could receive "sizable multiples." Loeber explained that Stuck was like "any smart investment advisor, he would say if or maybe" when referring to the likelihood of success of a given investment.

Loeber participated in a Signal Lake investor group. Some members of that group were critical of Stuck for being too optimistic and that he did not provide enough in-depth information. Loeber's view was that Stuck provided adequate disclaimers along the way and that it was a difficult economic period during which few investments were successful. Loeber generally thought that most of the investors were too quick to complain.

Loeber stated that over the 15 or 20 years that he invested with Stuck, Stuck had made representations to him that he "had skin in the game." Loeber added that when Stuck told him that he had invested some of his own money in a Signal Lake investment, Loeber relied on those statements in making his investing decisions.

Digitally attached to this document is an email from Loeber to writer and the first ten pages of a private placement memorandum dated 02/17/2012 which was attached to Loeber's email.

EXHIBIT 23

From: Steve O'Hanlon <sohanlon@numerix.com>
Sent: Friday, April 8, 2011 4:49 PM
To: Bart Stuck
Subject: RE: InPhase Technologies Inc Investment Opportunity

Just tried your phone – the language that you proposed for insertion does look fine to me.

S

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Friday, April 08, 2011 3:48 PM
To: Steve O'Hanlon
Subject: RE: InPhase Technologies Inc Investment Opportunity

Want to talk live now?
Bart
Mobile: +1.203.722.2149

From: Steve O'Hanlon [mailto:sohanlon@numerix.com]
Sent: Friday, April 08, 2011 2:23 PM
To: Bart Stuck
Subject: RE: InPhase Technologies Inc Investment Opportunity

Hi Bart – I am back home from Vancouver. I am reading the subscription. I need some clarification please:

With regard to the information below, that should be or is inserted to the subscription I would like to know if you inserted that clause to the most recent iteration of the agreement you sent me? If yes I don't see it in section 4 so can you please be more specific where it might be. If no, should I be inserting it?

With regard to our \$50K investment and your matching funds, where will I find that language in the subscription?

Steve

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Wednesday, April 06, 2011 12:20 PM
To: Steve O'Hanlon
Subject: RE: InPhase Technologies Inc Investment Opportunity

Please see below language to be added to section 4 of the Subscription Agreement. The language would be inserted after the first two sentences of the aforementioned section as follows:

Notwithstanding the foregoing or any similar provision delineated herein, Subscriber and General Partner agree that Subscriber's subscription to this Partnership is subject to Subscriber providing an initial funding amount of \$50,000 to the Partnership. Subscriber must provide one year from date of receipt of funds by General Partner its final decision regarding its subscription to the Partnership; this period may be extended by written mutual agreement of Subscriber and General Partner. In the event that Subscriber does not find its due diligence satisfactory, for any reason, and chooses not to proceed with the subscription, General Partner shall immediately refund Subscriber of its initial funding in full,

and Subscriber shall have no further obligation to General Partner and the Partnership.

From: Steve O'Hanlon [mailto:sohanlon@numerix.com]
Sent: Wednesday, April 06, 2011 11:41 AM
To: Bart Stuck
Subject: RE: InPhase Technologies Inc Investment Opportunity

ok

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Tuesday, April 05, 2011 6:31 PM
To: Steve O'Hanlon
Subject: RE: InPhase Technologies Inc Investment Opportunity

OK, will draft language that reflects all of this, stay tuned

From: Steve O'Hanlon [mailto:sohanlon@numerix.com]
Sent: Tuesday, April 05, 2011 6:12 PM
To: Bart Stuck
Subject: RE: InPhase Technologies Inc Investment Opportunity

Yes that would work and naturally if you wanted the buyout to be to pay me back 100K I would not turn that down

Ha ha ha!!!!

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Tuesday, April 05, 2011 3:42 PM
To: Steve O'Hanlon
Subject: RE: InPhase Technologies Inc Investment Opportunity

To summarize, offer is to invest \$50,000, which will be matched per below
Buyout offer is to buyout investment of \$50,000 if not satisfied within one year of investment

From: Steve O'Hanlon [mailto:sohanlon@numerix.com]
Sent: Tuesday, April 05, 2011 3:01 PM
To: bartstuck@signallake.com
Subject: FW: InPhase Technologies Inc Investment Opportunity

Bart, here was the email you sent me with the match. Let me know if you can still do this and if you cant just tell me that too.

S

From: Bart Stuck [mailto:bartstuck@signallake.com]
Sent: Thursday, February 17, 2011 1:52 PM
To: Steve O'Hanlon
Subject: InPhase Technologies Inc Investment Opportunity

If you invest \$50K, I will match, and this will take this to \$3M and a closing! Bart

If you know anyone that might find this of interest, glad to talk to them!

Bart

Late stage digital storage investment opportunity, needs \$3M to finish preproduction product in six months, an additional \$2M to ramp up for production with qualified (FCC, UL) product in months 7-9, and \$3M in working capital to reach breakeven in month 16. Proven management team (each with 25 years experience, have managed engineering and sales hundreds of millions of dollars of digital storage product. Low technical risk (software, firmware cleanup), low market risk (breakeven at 80+ disk drives and associated digital storage media), potential for 5X+ return in two-three years. Invest via Signal Lake Side Fund III LP which was created to solely invest in InPhase.

I have attached InPhase overview (one pager and PPT)

Deal structure is to invest in Signal Lake Side Fund III LP, which will collect all investors, and in turn invest in secured convertible note. Currently have \$2.9M for SLSF3, will take it up to \$10M; note is secured by assets so sale of assets covers downside, and note will convert into preferred stock when product is shipping; all pro formas suggest 5X+ returns in 2-3 years, which is based on market demand (customers such as Turner, NBC Universal, Technicolor, Disney, Dreamworks, NFL Films in movies, and DoD (NRO, NSA, Geospacial Intelligence Agency) where content IS the business, plus medical records, email archiving for Sarbanes Oxley compliance). Low perceived technical risk in getting software cleaned up for initial products, and then money is for working capital to hit break even (at 80+ drives in month 16, and remember this is archiving so each drive is pulling through the sale of 25 pieces of storage media per month). Glad to answer any questions, this one has a real story, which is why I quit watching TV (you cannot make this up)

Bart

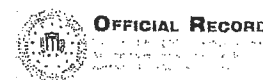
Mobile: +1.203.722.2149

Financial Background

Signal Lake led the Series A financing in December 2000, spinning this out of Bell Labs after five years (1996-2000), and then participated in Series B, C, D, and E financings. In March 2010, Signal Lake bought out the lead investor, New Venture Partners, and in the next two months bought out the other two Preferred Shareholders, and now has all the preferred stock, which on a fully diluted basis is 63% of all stock. InPhase is financed by a secured convertible note, with the assets securing the note; the intent is to invest in Signal Lake Side Fund 3 LP, which will only invest in InPhase, to collect all investors together in one entity. The money would go into the secured note, so the downside is contained by the value of the assets, while the note would convert to Preferred Stock to provide the upside of 5X-10X in two years. In December 2008 the post money valuation was \$130M; after the buyout of the lead investor, the post money valuation was \$35M, which is why the upside has the potential for 5X+ in two years.

Every time there is a limited partner that puts money into the Signal Lake Side Fund III LP, there will be a closing; as of Thursday, 17 February 2011, there was \$2.9M in capital commitments in this fund, and there are a large number of investors actively looking at investing. The intent was to permit investors to get engaged in a short term (2-3 years) investment, with downside contained by the value of the assets that the note is secured with, and the upside is to convert to equity. As with all such things, there is a story, but this is the investment opportunity; low perceived technical risk (plan has been vetted by five different engineers, each with 20+ years of experience in digital storage) and low perceived market risk (tape is the alternative, and customers have said tape is far more expensive and has all the problems known to users of tape (sensitive to temperature, humidity, can rip/tear, sensitive to electromagnetic fields (wipe out bits by running a wireless phone over a tape cartridge), four to five year lifetime, serial access)

EXHIBIT 24



FEDERAL BUREAU OF INVESTIGATION

Date of entry 11/30/2016

Steven O'Hanlon, was interviewed telephonically at .
After being advised of the identity of the interviewing Agent and the nature of the interview, O'Hanlon provided the following information:

O'Hanlon is the CEO of Numerix, a financial software company. O'Hanlon met Bart Stuck at around the time Numerix was looking to acquire FinAnalytica Inc., a company with offices in New York City. O'Hanlon explained that Stuck was a business associate with an individual at FinAnalytica.

Eventually, Stuck introduced O'Hanlon to the technology behind holographic storage and pitched him on investing in the Signal Lake Fund(s). O'Hanlon explained that he had initially decided that he was not going to invest because he had concerns about Stuck. When asked what his concerns were, O'Hanlon stated that it was "intuition" and the appearance that the investment opportunity was "too good to be true." When Stuck offered to match his investment and agreed to give O'Hanlon the option to redeem his investment within 18 months, O'Hanlon agreed to invest \$50,000. It was O'Hanlon's understanding that either Stuck, or another general partner would match his \$50,000 investment resulting in a total investment of \$100,000.

Shortly after investing, Signal Lake was in bankruptcy. Stuck told O'Hanlon he would give him his money back and O'Hanlon provided Stuck with wire instructions, but O'Hanlon's money has not been returned to him. O'Hanlon stated that Stuck was "gaming him throughout."

Three or four months ago, O'Hanlon received an email from Stuck. In that email Stuck explained that Signal Lake 1 was acquiring the rights to Signal Lake 2. Investors would be bought out at two times their investment. O'Hanlon was told that he could expect to receive \$200,000 for his \$100,000 (including the \$50,000 match). Approximately two or three weeks ago, O'Hanlon received another email from Stuck in which Stuck stated that the buyout was going to happen, but that Stuck was waiting for the final piece etc.

O'Hanlon met Stuck in person on two or three occasion in New York City.

Investigation on 11/22/2016 at New London, Connecticut, United States (In Person)File # 318B-NH-5821969Date drafted 11/22/2016by MUNSTER MARK E

FD-302a (Rev. 05-08-10)

318B-NH-5821969

Continuation of FD-302 of (U) Interview of Steven Ohanlon, On 11/22/2016, Page 2 of 2

EXHIBIT 25

From: David Braeger [mailto:privateequityventures@gmail.com]
Sent: Monday, December 08, 2014 3:04 PM
To: Lauer, Mark R.
Subject: Fwd: Signal Lake Top Prospects Fund II Introduction

----- Forwarded message -----

From: **Bart Stuck** <bartstuck@signallake.com>
Date: Thu, May 22, 2008 at 9:28 AM
Subject: Signal Lake Top Prospects Fund II Introduction
To: David Braeger <privateequityventures@gmail.com>

Dave:

We created an overflow fund for Signal Lake Top Prospects Fund, Here is a sample overview FYI for new investors, feel free to modify as you see fit, if you think there is interest

Signal Lake Top Prospects Fund II is overflow from first fund (capped at \$45M) Currently with \$10M in capital commitments, \$25M cap, but will consider taking more.

Four companies, the best of Signal Lake funds. InPhase offers superior returns, will Invest the bulk of the funds in InPhase, lesser amounts in other three, but all four are on track to EACH return entire fund by end of 2009

Key new event is InPhase is shipping disk drives and storage media and is sold Out for 2008, target \$100M in sales in 2008, \$400M in 2009 Signal Lake will be investing in a new round to expand manufacturing capacity And recruit more sales and support staff Signal Lake was able to substantially increase its ownership position in InPhase Over the past six months, and will continue to increase it.

Glad to answer any questions

Bart Stuck
Mobile: +1.203.722.2149

--
David O. Braeger

EXHIBIT 26



SIGNAL LAKE



2009 Signal Lake Annual Meeting

November 2009

Disclaimers

The proformas included in this presentation are subject to a high degree of uncertainty and there is no guarantee that the suggested results will be achieved

With respect to Signal Lake Side Funds 1 and 2 and Signal Lake Venture Fund 3, this document is qualified in its entirety by reference to the Confidential Private Offering Memoranda of Signal Lake Side Fund, L.P. ("SLSF"), Signal Lake Side Fund 2, L.P. ("SLSF2") and Signal Lake Venture Fund III LP ("SL3").

This document does not constitute an offering for SLSF 1/2 or SL3. Any offering may only be made when accompanied or preceded by the Confidential Private Offering Memorandum.

Investing in SLSF 1/2 or SL3 is subject to the numerous risks of investing in private equity.



November 2008 Message 1

- **We continue to be optimistic that:**
 - Signal Lake Side Fund and Signal Lake Side Fund 2 have the potential to return 3X or more on committed capital
 - Signal Lake 1 and Signal Lake 2 are on track to return all capital
- **InPhase** is well on the way to overcoming last year's identified hard drive engineering delays and has recognized revenue from the sales of disk drives and digital storage media in 2009.
 - **As a result, we would like to invest as much as possible in InPhase via SLSF1/2**
 - **Potentially, we can increase Signal Lake's ownership percentage by a factor of 2-3x**
 - **Having ready cash will give us substantial negotiating leverage/flexibility**



November 2008 Message 2

- **Our biggest challenge in 2008 has been in converting SLSF 1/2 capital commitments into actual fund capital**
 - SLSF1: \$45M capital commitments; \$10M receivable
 - SLSF2: \$25M capital commitments; \$17M receivable
- **Responses**
 - Working hard to replace recalcitrant investors; received written commitment to fulfill all open capital calls in December 2008 from new outside investor, Maxis Capital, and numerous existing investors have paid down open capital commitments to date
 - Level of InPhase investment will be pegged to funds available (Base Investment and High Investment Cases)
 - Reduction in 2009 CorEdge Networks (CEN) spending



November 2008 Message 3

- **CorEdge Group (CorEdge, SeraStar, Hermios, SLT Logic)**
 - We have substantially reduced CEN'S burn rate and capital allocation, and will be focusing on high-valuation FGPA/systems opportunities.
 - We also are considering selling/licensing the lower-valuation CorEdge component business.
 - As a result, we have reduced our proforma outcomes versus last year
 - However, we are optimistic that the strong value of the SLT Logic/CEN patent portfolio will result in a good liquidity outcome
- **Even with a zero return from CEN and SOMA, InPhase alone has the potential to return:**
 - **3X or more on committed capital to SLSF1 and SLSF2**
 - **Most/all capital to SLVF1 and SL2**



This Year's Message

- **There have been two extremely positive changes this year**
 - The prospective acquisition of a controlling interest in InPhase from the current lead investor (NVP) at a significant discount to \$50M+ invested
 - Signal Lake's obtaining a \$150M-\$225M funding commitment from a single large investor that will fully fund SLSF1, SLSF2 and help establish a new SLVF3
- **As a result, we continue to be optimistic that:**
 - Signal Lake Side Fund, Signal Lake Side Fund 2 and Signal Lake 2 each have the potential to return a multiple on committed capital
 - Signal Lake 1 is on track to return all capital
- **Caveat:** due to delays in funding through Q309 (which adversely affected operations at InPhase and CorEdge Group), prospective liquidity events will be delayed to 2010 or 2011



Announcing: New SL3 Fund

- **We plan to form a new \$250M Signal Lake III Venture Fund LP (“SL3”), with initial closing date no later than 31 January 2010**
- **Lead investor: Maxis Capital (affiliated with a major international finance and commodity company)**
 - Signed capital commitment for \$150M; may increase to \$225M
 - Of this \$30M will be used to top off SLSF 1 and 2
 - Priority given to existing SL investors
- **SL3 will be committing \$45M to InPhase funding, which we believe will generate a return on the entire SL3 fund**
 - Investors after first closing may face substantial increases in InPhase PMV or exclusion from InPhase investment
 - Additional funding for CorEdge Group
 - Remaining capital used for new portfolio investments, focusing on storage, materials, energy



Signal Lake Team

- As part of the establishment of SL3, Signal Lake will be adding a number of seasoned venture partners with operating experience and access to quality deal flow
- Also will be adding team members with deep technical knowledge in energy, chemistry and materials



Signal Lake Team

Provisional



Bart Stuck
Managing
Director

Cofounder Signal Lake, Bell Labs, Monitor, Business Strategies



Michael Weingarten
Managing
Director

Cofounder Signal Lake, Monitor, bankruptcy trustee, Boston Consulting Group (BCG)



Avery Lyford
Managing
Director

CEO of two venture backed startups; McKinsey first business builder; Founding exec IBM's Intel server business (xSeries)



Cheryl Smith
Venture Partner

VP Sales Network Engines (NENG), three startup operating experience, sales, marketing, operations



Mark Sahlman
Venture Partner

Leading Wall Street technology analyst (IBM, HP, Dell, Sun, Google), investment banker (AOL, Creative Labs), managed corporate VC funds, software entrepreneur



Werner Stapela
Venture Partner

Managing Partner for German M&A group, General Manager ITW, significant startup and turnaround experience



Will Chu
Principal

ITU Ventures, Fidelity, Texas Instruments



Anna Brady - Estévez
Associate

Yale Chemical Engineering PhD, Kauffman Fellow

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Proforma Investment Multiples: InPhase Only

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	N/A	N/A	N/A	N/A	N/A	N/A
SLVF2	2.6x	13.8x	13.2x	44.5x	30.5x	122.7x
SLSF1	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SLSF2	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SL3	2.3x	11.6x	11.1x	37.1x	25.5x	102.0x

**SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry;
no SLVF1 Investment in InPhase**



Proforma Investment Multiples: Total Returns on Total Investment

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	0.1x	0.4x	0.5x	1.7x	1.3x	4.7x
SLVF2	0.4x	2.0x	2.0x	6.6x	4.6x	18.3x
SLSF1	1.3x	6.9x	7.1x	22.9x	16.4x	63.0x
SLSF2	2.0x	9.7x	9.4x	30.8x	21.6x	84.9x
SL3	1.9x	9.0x	8.9x	29.0x	20.6x	80.1x

SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry



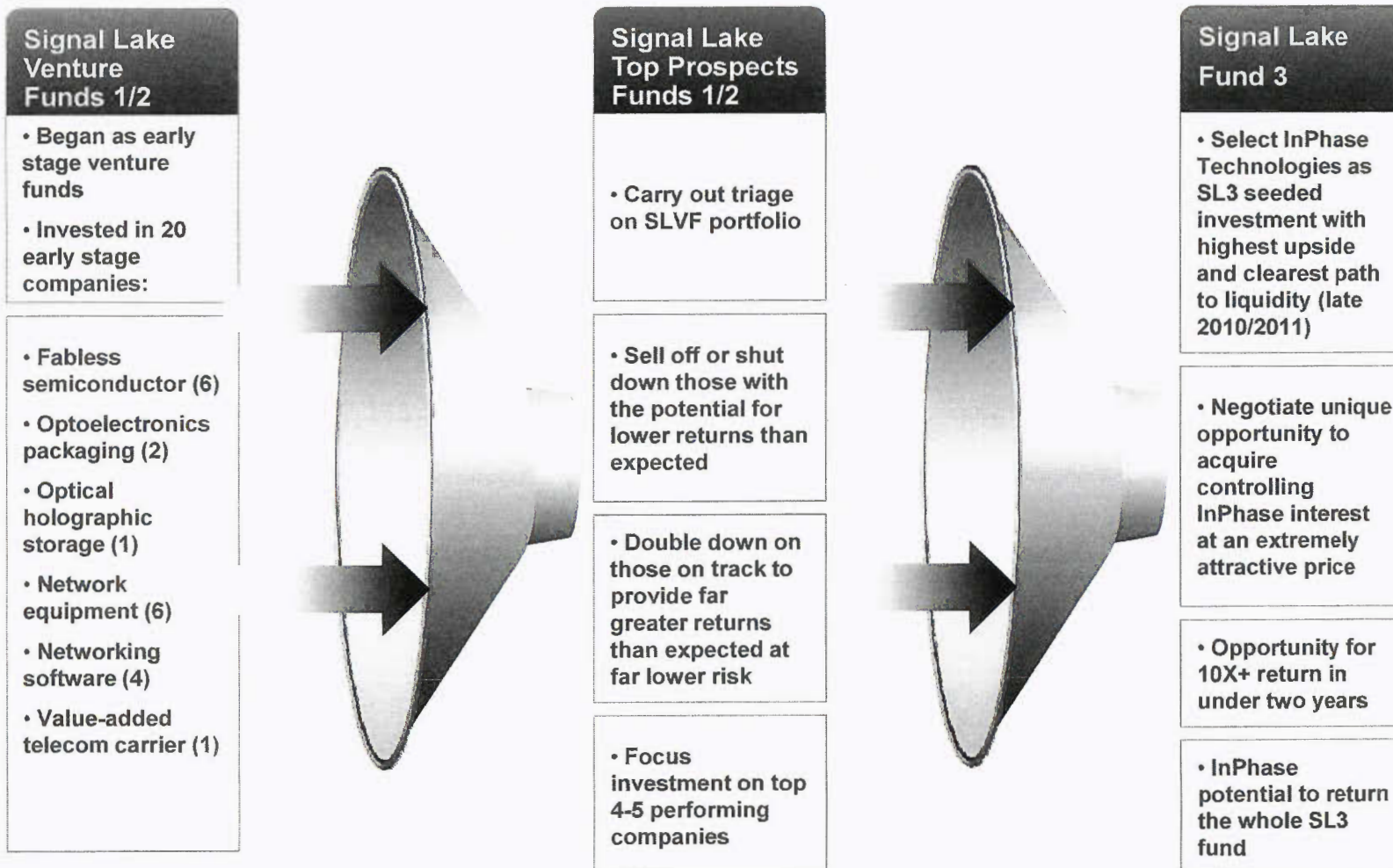
Proforma Investment Multiples: InPhase Returns on Total Investment

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	0.0x	0.3x	0.3x	1.1x	0.7x	3.0x
SLVF2	0.4x	2.0x	1.9x	6.4x	4.4x	17.5x
SLSF1	1.3x	6.7x	6.4x	21.5x	14.8x	59.1x
SLSF2	1.9x	9.4x	9.0x	30.0x	20.6x	82.5x
SL3	1.7x	8.7x	8.3x	27.7x	19.1x	76.3x

SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry



Top Prospects Fund Concept



InPhase Overview



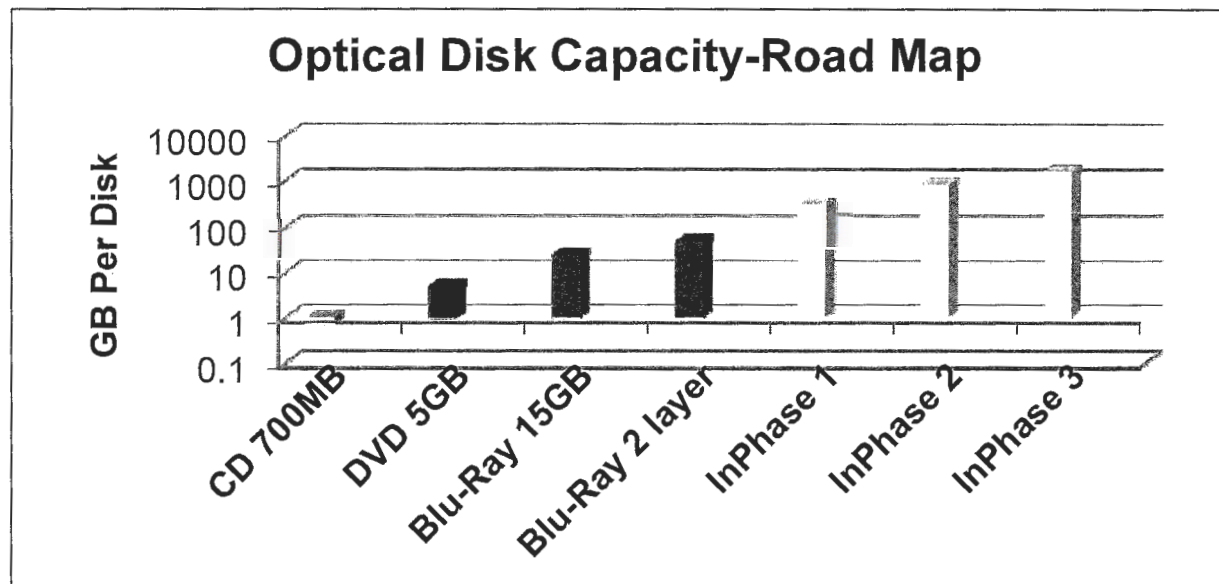
- Bell Labs spinoff founded in 2000 and located in Longmont, CO
- **World's leading developer of holographic storage systems**
 - Only company with working pre-commercial holographic system (hardware and media)
 - 200 patents granted; 299 patents pending
 - Strong customer traction with a broad range of tier-1 companies



Holographic Storage Capacity



- Compared to existing optical storage systems (which rely on 2-D technology), 3-D holographic storage provides **vastly more capacity** in an equivalent CD form factor



From Dan Brown's The Lost Symbol

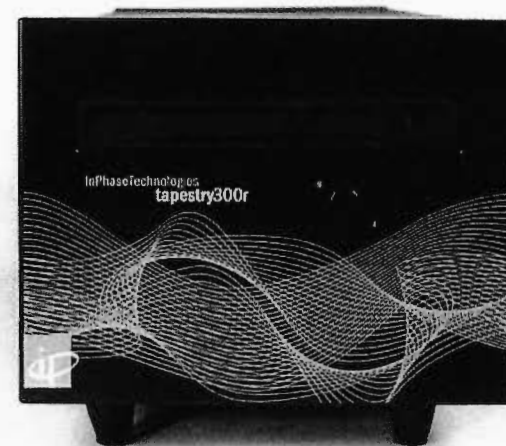
- Chapter 18: *Inside A Secret Noetics Research Lab*

"Katherine continued down the hall to the data-storage room. As always, the two redundant holographic backup units hummed safely within their temperature-controlled vault. All my research, she thought, gazing in through the three-inch-thick shatterproof glass. Holographic data-storage devices, unlike their refrigerator-size ancestors, looked more like sleek stereo components, each perched atop a columnar pedestal.

Both her lab's holographic drives were synchronized and identical – serving as redundant backups to safeguard identical copies of her work."



InPhase 2007-2008 Prototype Media and Drive



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Holographic Plastic As Substitute For Magnetic Tape



- **Magnetic tape archival storage is a large, growth business**
 - \$5B in tape drive sales, \$5B in tape cartridge sales, 2008
 - Growing 15%-20% per year (Source: IDC)
- **Magnetic tape issues**
 - Sensitive to temperature, humidity
 - Shelf life of 5 years before replacement required
- **InPhase holographic plastic advantages versus tape**
 - Insensitive to temperature, humidity and magnetic fields
 - Shelf life of 50 years before replacement
 - 1/10 the cost of magnetic tape cartridge
- **InPhase has potential in 1-3 years of product shipment to achieve**
 - \$500M in sales, \$125M in EBITDA
 - IPO candidate with \$2B valuation



InPhase Business Model



	Per Drive	Per Month	Annualized
Drive Units Sold Per Year		200	2,400
\$/Drive	\$20,000		
Media/Drive	1,000		
\$/Media	\$150		
Media \$ per Drive-Year	\$150,000		
Year 1 Revenues Per Drive	\$170,000		
Year 2 - 3 Revenues Per Drive	\$150,000		
Year 1 Total Revenues		\$34,000,000	\$408,000,000
Year 2 Total Revenues			\$768,000,000
Year 3 Total Revenues			\$1,128,000,000

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InPhase Tier-1 Market Traction



	Video/Movie	Government Surveillance/Military	Other Government
Application	Storage of movie/video libraries	Storage of Predator/Reaper drone/satellite downloads	Misc content/database storage
Key Strategic Accounts	<p>Turner/Time Warner, NBC/Universal, Technicolor, Disney and Fox</p> <p>OEMs: Ikegami, DSM</p>	<p>National Reconnaissance Office (NRO): controls US satellite and Predator drone reconnaissance</p> <p>National Geospatial Intelligence Agency (NGA): Storing map imagery</p>	<p>US Army (storage of health care records)</p> <p>NASA (storage of mission videos/records; historical tapes)</p> <p>Securities and Exchange Commission (SEC)</p> <p>Library of Congress</p>
Comments	<p>Disney: 1 movie = 1 Petabyte of data (including raw footage); 1M gigabytes; 3,333 InPhase disks @ 300GB; \$500K @ \$150/disk</p>	<p>10 hrs of Predator surveillance = 1 petabyte of data</p> <p><i>NY Times</i> Mar 09: 16K hours of video per month in Iraq/Afghanistan/Pakistan)</p>	



Predator Drone Disk Potential Calculations



Predator Hours	Petabytes	Gigabytes	# Disks @ 300GB Per Disk	Disk Revenue \$ @ \$150/Disk
10	1	1,000,000	3,333	\$500,000
100	10	10,000,000	33,333	\$5,000,000
1,000	100	100,000,000	333,333	\$50,000,000
10,000	1,000	1,000,000,000	3,333,333	\$500,000,000
100,000	10,000	10,000,000,000	33,333,333	\$5,000,000,000

Caveat: Not all material may be archived



InPhase Longer-Term Market Traction



- **Intermediate Opportunity: Commercial archival storage**
 - Driven by Sarbanes-Oxley requirements for non-tamperable data storage
 - Key initial alliance with Avnet (replacing Plasmon drives and media)
 - Market will develop strongly as unit hard drive costs are reduced
- **Intermediate Opportunity: Medical Records Storage**
 - Major focus of Obama administration health care reform
 - InPhase currently working with US Army subcontractor on system for storing all US Army medical records
- **Five-year opportunity: Consumer drives**
 - In principle, bill-of-materials (BOM) for holographic drive should be equivalent to BOM for BluRay drives (approx. \$100), but with far greater capacity
 - Working with major Japanese consumer electronics company on drive (probable licensing agreement)



InPhase Holographic Drive Commercialization Issue



- **Given the need for a high degree of precision in holographic optical hard drives, this is a business with high barriers to entry**
 - Other companies have tried and failed to develop working drives
 - In particular, commercialization requires ability to demonstrate substantial parts interchangeability
- **Despite this, and in advance of full interoperability testing, InPhase's lead investor**
 - Pushed twice for an aggressive ramp to commercialization
 - Forecasted drive sales beginning Q407, then Q408
- **Result: a number of issues surfaced, which required substantial corrections**
 - These issues have now been resolved
 - Company is on track to begin commercial sales within 6-9 months



Need For Additional Funding → Major Upside Opportunity



- As a result of the engineering delays, **InPhase will need \$40M-\$50M additional funding** to get to commercialization
- In November/December 2008, InPhase's lead investor (New Venture Partners, or "NVP") stated that it was unwilling/unable to put in necessary cash
- **NVP expressed desire to cash out, even at a major loss**
 - \$96M cash invested (all investors), plus Bell Labs IP valued at \$10M
 - Said it would sell out at \$20M or less
- Signal Lake and a set of independent consultants believe **InPhase's engineering problems have been solved**
 - This will become generally apparent within six months
- NVP's apparent liquidity problem provides Signal Lake with an ***opportunity to increase our ownership from current 7.64% to approximately 80% at a great price***

SIGNAL LAKE



Prospective InPhase Investment/Ownership By Fund



Fund	Cash Investment \$M	% Signal Lake Investment	% InPhase Ownership Fully Diluted	\$M Per Share Point Owned
SL2	\$5.0	5.8%	4.62%	\$1.08
SLTPF1	\$20.9	24.2%	19.35%	\$1.08
SLTPF2	\$15.4	17.9%	14.30%	\$1.08
SL3	\$45.0	52.2%	41.73%	\$1.08
Total	\$86.3	100.0%	80.00%	\$1.08



Returns At Different Liquidity Levels



Fund	Investment \$M	% InPhase Ownership Fully Diluted	\$M Return @ \$1B Liquidity Value	\$M Return @ \$2B Liquidity Value	\$M Return @ \$4B Liquidity Value	\$M Return @ 6B Liquidity Value	Return Multiple @ \$1B	Return Multiple @ \$2B	Return Multiple @ \$4B	Return Multiple @ \$6B
SL2	\$5.00	4.62%	\$46	\$92	\$185	\$277	9.2x	18.5x	37.0x	55.4x
SLTPF1	\$20.90	19.35%	\$194	\$387	\$774	\$1,161	9.3x	18.5x	37.0x	55.6x
SLTPF2	\$15.40	14.30%	\$143	\$286	\$572	\$858	9.3x	18.6x	37.1x	55.7x
SL3	\$45.00	41.73%	\$417	\$835	\$1,669	\$2,504	9.3x	18.5x	37.1x	55.6x
Total Signal Lake	\$86.30	80.00%	\$800	\$1,600	\$3,200	\$4,800	9.3x	18.5x	37.1x	55.6x

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Data Domain Comparables



- In July 2009, EMC announced that it will be buying Data Domain (DDUP) for \$2.4B.
- Like InPhase, DDUP is in the storage business.
- Accordingly, the valuation multiples for DDUP (8.8x trailing sales/ 111x Operating Income) represent useful valuation comparables for InPhase

Data Domain Historical/Exit Data

Year	Sales \$M	Operating Profit \$M	2009 Exit Price \$M	Sales Multiple	Op. Inc. Multiple
2004	\$0.8	-\$10.0			
2005	\$8.1	-\$14.0			
2006	\$46.4	-\$4.5			
2007	\$123.6	-\$7.2			
2008	\$274.1	\$21.6	\$2,400	8.76x	111.1x



Pro Forma InPhase Valuation



	YE 2010 Pessimistic	YE 2010 Realistic	YE 2010 Optimistic	YE 2011 Pessimistic	YE 2011 Realistic	YE 2011 Optimistic
InPhase Sales \$M	\$50	\$150	\$250	\$250	\$500	\$1,000
Valuation Multiple	5x	8x	11x	5x	8x	11x
InPhase Valuation \$M	\$250	\$1,200	\$2,750	\$1,250	\$4,000	\$11,000



Proforma Investment Multiples: InPhase Only



	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	N/A	N/A	N/A	N/A	N/A	N/A
SLVF2	2.6x	13.8x	13.2x	44.5x	30.5x	122.7x
SLSF1	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SLSF2	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SL3	2.3x	11.6x	11.1x	37.1x	25.5x	102.0x

**SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry;
no SLVF1 Investment in InPhase**





Proforma Investment Multiples: InPhase Returns on Total Signal Lake Investment

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	0.0x	0.3x	0.3x	1.1x	0.7x	3.0x
SLVF2	0.4x	2.0x	1.9x	6.4x	4.4x	17.5x
SLSF1	1.3x	6.7x	6.4x	21.5x	14.8x	59.1x
SLSF2	1.9x	9.4x	9.0x	30.0x	20.6x	82.5x
SL3	1.7x	8.7x	8.3x	27.7x	19.1x	76.3x

SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry





CorEdge/Hermios/SeraStar: Overview

- **CorEdge Networks (CEN) is a startup (incorporated July 2004)**
 - SLT Logic LLC owns the intellectual property of Terago Communications, as well as IP purchased from Precision I/O
 - SLT Logic LLC has licensed some of this to CorEdge
 - SL entities own virtually all of the preferred shares of CEN
- **CEN has generated an important first-mover advantage in the ATCA/MicroTCA market by**
 - Leveraging the substantial body of Terago IP (CEN has over 20 patents granted)
 - Adopting an FGPA-based IP development strategy (versus normal fabless semiconductor approach)
 - Developing chip and board level IP simultaneously within one company, rather than waiting for design wins, then serial board development
- **To maximize shareholder value, we organized CorEdge into a holding company (while maintaining integrated operations for now):**
 - *CorEdge Networks* (board- and chassis-level company)
 - *Hermios* (chip/core IP company)
 - *SeraStar* (systems level company)
 - Note: This financing occurred in January 2008, when a convertible interest bearing note converted to Series B Preferred Stock in CorEdge Group, generating a taxable event for SLVF1 and SLSF1 LPs
- **Probable exit path**
 - Sell CorEdge and/or SeraStar, once MicroTCA revenues ramp up
 - Retain Hermios for longer term gain



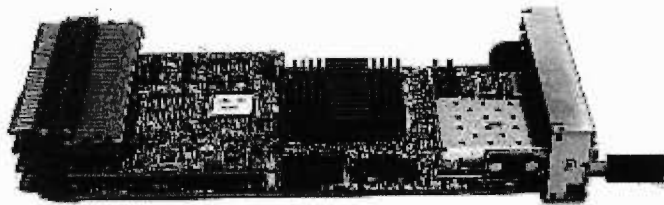


Bitstream Processor Technology

- At the center of CorEdge and Hermios product development is the Bitstream Processor patent/patent-pending chip-level technology
 - Derived from Terago IP
 - Augmented by CEN and via purchase of IP from Precision I/O
 - Can run on FPGAs or ASICs
 - Used on all CEN boards
- Key Bitstream Processor characteristics
 - Multiprotocol
 - Dynamically programmable
 - Wirespeed
 - Low latency
 - Supports flow control



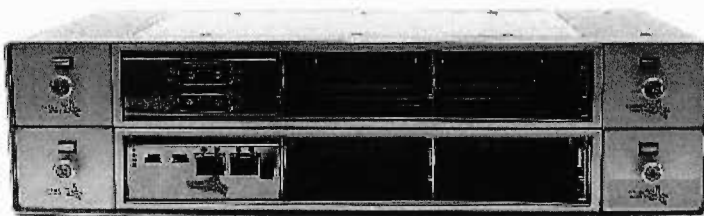
CorEdge/Hermios/SeraStar Products



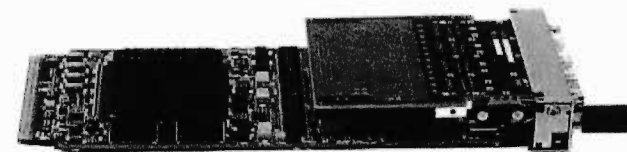
CEN-MCH 2.7 with Clock/SATA Module



Hermios Bitstream Processor Chip



CEN PicoTCA Test & Development System

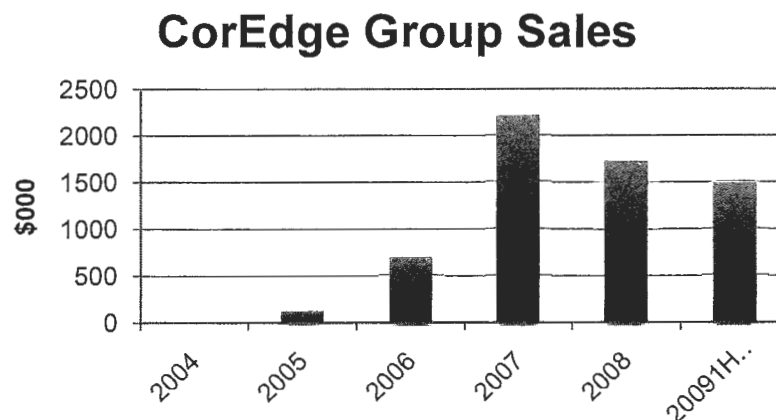


CEN 20 Gbps Programmable Port Card
With PHY daughter card



CorEdge Business Progress

- Rapid sales progress through 2007
- Key customers: Ericsson, Qualcomm, Intel, General Dynamics
- Q4 07: single \$1M order from Qualcomm
- Then, drop-off in late 2008/2009 as result of general economy + Signal Lake capital shortfall



Impact of SL Capital Shortfall



- In Q407, CEN anticipated approaching breakeven levels by YE 2008
- Unfortunately, by mid-2008, SLVF's funding issues necessitated a sharp reduction in monthly burn rate, from \$800K at the start of the year to under \$200K currently
 - Focus on shipping existing products (Qualcomm leading customer)
 - Hold on new R&D
 - Negotiate with multiple parties to license/sell CEN components business (minimal interest, due to the economic slowdown)





The Good News

- In 2009, there was a general industry-wide hold on MicroTCA development/deployment (due to the general economic slowdown)
 - So CorEdge did not lose much ground
- Currently working on a high-value project with ex-Nortel group with good likelihood of success,
 - Involving use of CEN equipment as part of a major 2010/11 deployment
 - Based on CEN's having supplied units to Qualcomm and Ericsson
 - Could generate revenues in the \$10M-\$100M range
- Negotiating with a potential new venture partner who would play an important role in ramping up CEN activities (upon SL3 closing)



SLT Logic LLC



- **Created 2003**
 - Purchased Terago assets, including patent portfolio
 - Currently has 38 patents granted and applied for, more in process
- **Licensed intellectual property to**
 - CorEdge Networks in 2004
 - Hermios and SeraStar in 2007
 - License involves Equity plus royalties on sales
- **All Signal Lake Funds (except for SLSF2) are members of SLT Logic LLC**
- **Potential Exits**
 - Sell patents to CorEdge Networks, Hermios, SeraStar
 - Sell patents to third party, e.g., Intellectual Ventures, IPotential, et al

SOMA Networks



- Point-to-multipoint PCS band radio system for homes and small business: up to four phone lines and broadband Internet access for voice, data, video
- Growing base of diversified customers from sales funnel
 - Double digit number of purchase orders and thousands of premises units shipped
 - Actively engaged in diverse geographies: Asia, US, Carribbean, Eastern Europe
- Sanyo partnership as investor and equipment manufacturer is in place
- Skills and patents in radio design, application & system software, telecom systems
- Standards based: programmable radio (3G, WiMax), TCP/IP enabled
- First working commercially viable alternative to wireline telco:
 - Reduces capex from \$1800 per subscriber to >\$500 per subscriber
 - \$10/month cost vs \$100/month revenue opportunity/subscriber
- 2008: announcing India BSNL WiMax contract for coverage of 200M individuals
- In fall 2009, raised an additional \$50M, bring total equity raised to >\$350M since inception
- Strong team: Lucent/Bell Labs, Comverse Technologies, NorTel, University of Ottawa, University of Toronto



SOMA Networks



Indoor Units

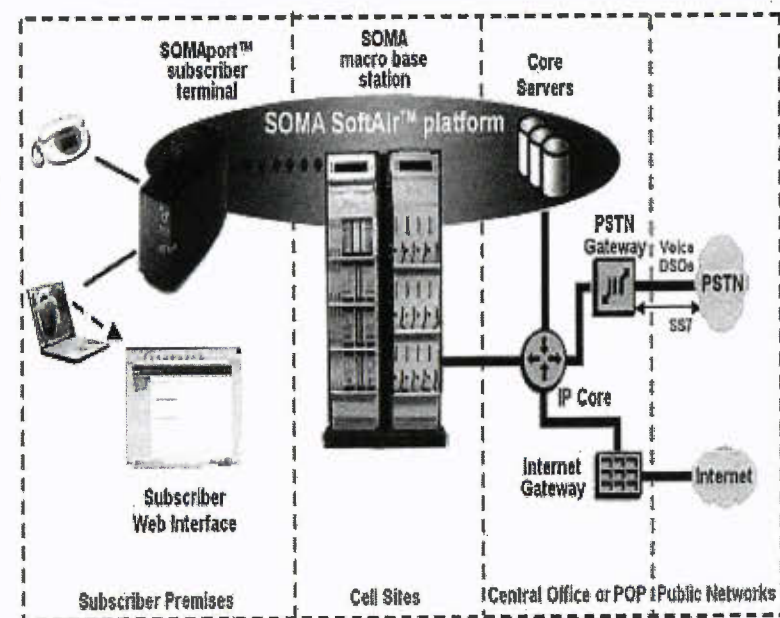


**Link Multiple PCs
Through
Ethernet Hub or any
Home Networking
Technology**

**USB or Ethernet
Connectivity to PC**

**Real voice built-in.
Two or four voice lines
Voice, data, fax, and
Video services**

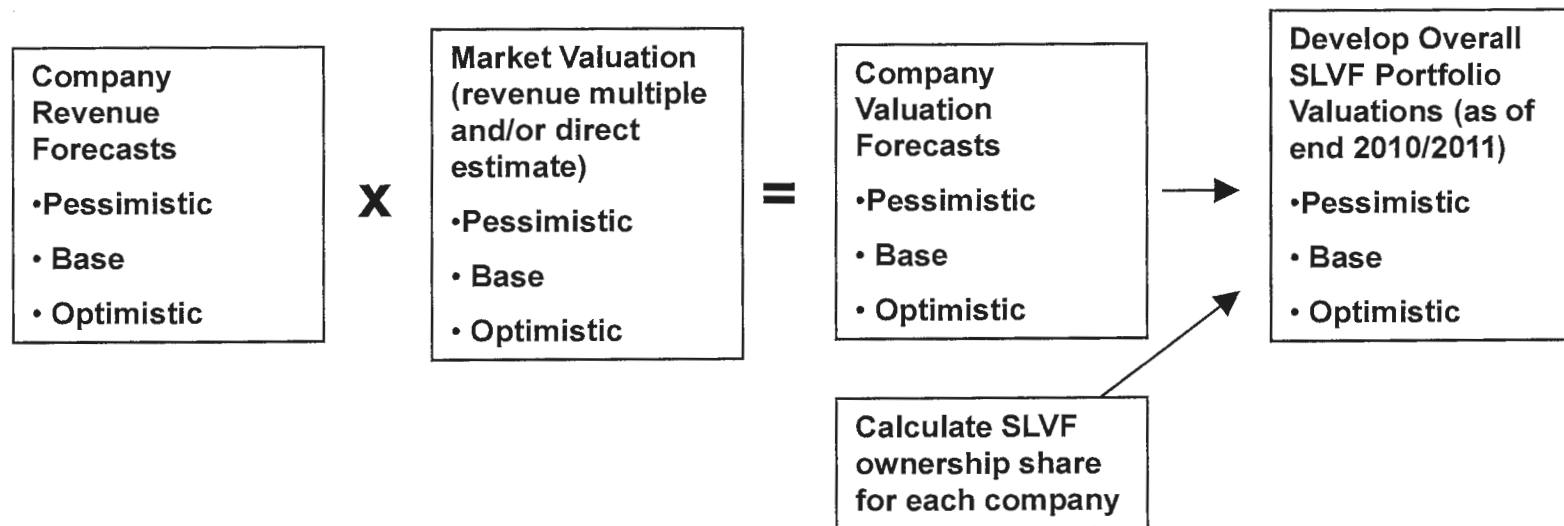
Outdoor Units



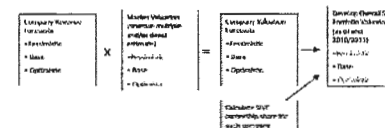
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Fund Prospects: Pro Forma Methodology



Valuation Multiples

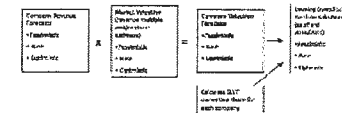


	Inphase (Based on public equity multiples)	CorEdge (Boards/Systems)	Hermios (Chips/Cores)
Assumptions	<ul style="list-style-type: none"> ● Pessimistic: 5x revenues ● Realistic: 8x revenues ● Optimistic: 11x revenues 	<ul style="list-style-type: none"> ● Pessimistic: 1x revenues ● Realistic: 3x revenues ● Optimistic: 4x revenues 	<ul style="list-style-type: none"> ● Pessimistic: 5x revenues ● Realistic: 8x revenues ● Optimistic: 12x revenues
Basis for Assumptions	<ul style="list-style-type: none"> ● Liquidity events for these companies may be via IPOs ● High growth expectations --> higher multiples 	<ul style="list-style-type: none"> ● Low end: 1x for commodity board business ● Medium/High: premium over normal board companies due to early leadership position in xTCA (very high growth market) 	<ul style="list-style-type: none"> ● Premium for high growth opportunities in xTCA/IMS market sectors; proprietary Bitstream Processor technology; major Ericsson design wins



Projected Company Valuations 2010-2011

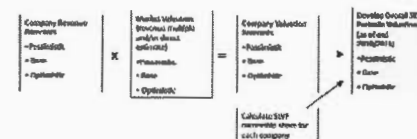
All Dollars in \$000



	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
InPhase Networks	\$250,000	\$1,250,000	\$1,200,000	\$4,000,000	\$2,750,000	\$11,000,000
SeraStar	\$4,500	\$18,000	\$25,000	\$100,000	\$80,000	\$320,000
CorEdge	\$3,000	\$6,000	\$30,000	\$60,000	\$100,000	\$200,000
Hermios	\$7,040	\$14,080	\$28,700	\$60,900	\$78,200	\$173,400
SOMA Networks	\$120,000	\$240,000	\$480,000	\$1,440,000	\$1,500,000	\$4,500,000
Total Valuation	\$384,540	\$1,528,080	\$1,763,700	\$5,660,900	\$4,508,200	\$16,193,400



SLSF1 Proforma Valuation



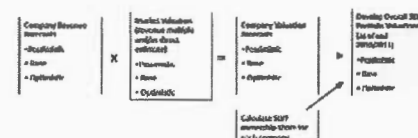
All Dollars in \$000

SLSF1 \$000	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
InPhase Networks	48,364	241,818	232,145	773,818	532,000	2,128,000
SER	-	5,431	6,449	19,810	16,852	59,558
CEN	-	-	7,712	13,065	20,646	38,479
HER	-	2,231	7,138	12,616	16,615	32,768
SLT Logic	-	328	1,851	3,338	2,829	7,197
SLT Logic royalties	-	38	40	128	65	209
SOMA Networks	46	92	184	551	574	1,722
SLSF1 Direct Returns	48,410	249,938	255,518	823,326	589,580	2,267,934
Plus: Distributions from SLSF2 GP	-	-	-	-	-	-
Total SLSF Financial Valuations	48,410	249,938	255,518	823,326	589,580	2,267,934
Original Investment (ex reserves)	36,022					
Investment Multiple	1.34	6.94	7.09	22.86	16.37	62.96

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SLSF2 Proforma Valuation



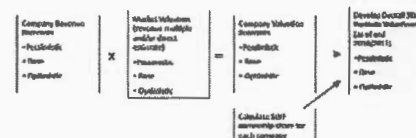
All Dollars in \$000

SLSF2 \$000	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
InPhase Networks	35,755	178,776	171,625	572,083	393,307	1,573,229
SER	875	1,948	2,304	6,879	5,861	20,499
CEN	631	1,262	3,153	5,332	8,411	15,673
HER	1,260	2,110	2,285	3,901	5,076	9,855
Total SLSF2 Financial Valuations	38,521	184,096	179,367	588,195	412,655	1,619,256
Original Investment (ex reserves)	19,068					
Investment Multiple	2.02	9.65	9.41	30.85	21.64	84.92

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SL3 Proforma Valuation



All Dollars in \$000

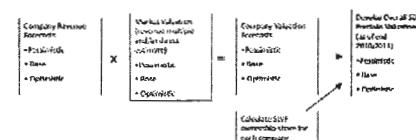
SL3 \$000	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
InPhase Networks	104,330	521,650	500,784	1,669,280	1,147,630	4,590,521
SER	3,625	8,068	9,910	33,588	28,320	104,091
SER	2,369	4,738	12,508	22,729	37,177	71,248
CEN	5,780	9,680	10,684	19,955	26,693	54,104
Total SLSF3 Financial Valuations	116,104	544,136	533,885	1,745,552	1,239,821	4,819,964
Original Investment (ex reserves)	60,166					
Investment Multiple	1.93	9.04	8.87	29.01	20.61	80.11

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SLVF1 Proforma Valuation



All Dollars in \$000

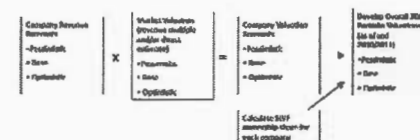
SLVF1 \$000	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
SOMA Networks	419	838	1,675	5,026	5,235	15,705
SER	-	152	186	632	533	1,958
CENNetworks	-	-	218	397	649	1,245
HER	-	60	210	393	525	1,065
SLT Logic	-	356	2,109	4,406	3,681	10,683
SLT Logic royalties	-	41	45	166	84	308
Total Signal Lake 1 Direct Returns	419	1,446	4,445	11,019	10,707	30,963
Plus: Distributions from SLSF GP	923	7,559	8,111	28,266	20,181	79,763
Total Signal Lake 1 Financial Valuations	1,342	9,005	12,555	39,285	30,888	110,726
Original Investment	23,500					
Investment Multiple	0.06	0.38	0.53	1.67	1.31	4.71

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SL2 Fund Proforma Valuation



All Dollars in \$000

SLVF2 \$000	Pessimistic 2010E	Pessimistic 2011E	Realistic 2010E	Realistic 2011E	Optimistic 2010E	Optimistic 2011E
InPhase Networks	11,551	57,756	55,445	184,818	127,062	508,250
SER	-	-	-	-	-	-
CENNetworks	-	-	-	-	-	-
HER	-	-	-	-	-	-
SLT Logic	-	231	1,436	3,989	3,066	11,980
SLT Logic royalties	-	26	30	142	69	339
Total Signal Lake 2 Direct Returns	11,551	58,013	56,912	188,949	130,198	520,568
Plus: Distributions from SLSF GP	1,375	11,258	12,080	42,098	30,057	118,796
Total SL2 Return	12,926	69,271	68,991	231,047	160,255	639,364
Original Investment	35,000	-	-	-	-	-
Investment Multiple	0.37	1.98	1.97	6.60	4.58	18.27

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Proforma Investment Multiples: InPhase Only

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	N/A	N/A	N/A	N/A	N/A	N/A
SLVF2	2.6x	13.8x	13.2x	44.5x	30.5x	122.7x
SLSF1	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SLSF2	2.3x	11.6x	11.1x	37.1x	25.5x	102.1x
SL3	2.3x	11.6x	11.1x	37.1x	25.5x	102.0x

**SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry;
no SLVF1 Investment in InPhase**



Proforma Investment Multiples: Total Returns on Total Investment

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	0.1x	0.4x	0.5x	1.7x	1.3x	4.7x
SLVF2	0.4x	2.0x	2.0x	6.6x	4.6x	18.3x
SLSF1	1.3x	6.9x	7.1x	22.9x	16.4x	63.0x
SLSF2	2.0x	9.7x	9.4x	30.8x	21.6x	84.9x
SL3	1.9x	9.0x	8.9x	29.0x	20.6x	80.1x

SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry



Proforma Investment Multiples: InPhase Returns on Total Investment

	Pessimistic 2010	Pessimistic 2011	Realistic 2010	Realistic 2011	Optimistic 2010	Optimistic 2011
SLVF1	0.0x	0.3x	0.3x	1.1x	0.7x	3.0x
SLVF2	0.4x	2.0x	1.9x	6.4x	4.4x	17.5x
SLSF1	1.3x	6.7x	6.4x	21.5x	14.8x	59.1x
SLSF2	1.9x	9.4x	9.0x	30.0x	20.6x	82.5x
SL3	1.7x	8.7x	8.3x	27.7x	19.1x	76.3x

SLVF 1 and 2 returns include prorata share of SLSF 1 and 2 GP carry



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EXHIBIT 27



Analogy to the Early Days of Magnetic Disk Storage



Source: Andrei Khurshudov Seagate Technology



**First commercial
magnetic disk drive**

- IBM RAMAC 305
- shipped in 1956
- 5 Megabytes storage
- Price \$200K (1956 dollars)
- Price \$1.3M (2011 dollars)

**Current pre-production
holographic drive bill of
materials cost of goods
sold (COGS): \$39K**

**In 5-10 Years: \$100 to
\$1,000 COGS**



InPhase Technologies

Storage Market Segmentation

InPhase: Ideal solution for long-retention deep archival applications

Retention Period	Active Archive		Deep Archive
	High Access	Med Access	
1-5 Years	Hard-Disk Drives <ul style="list-style-type: none"> • High access and speed to archive, best handled by disk arrays. • Retention period acceptable for high energy consumption disk arrays. 		Tape <ul style="list-style-type: none"> • But Holographic Offers: • Cost per MB lower than HDD. • Random Access faster than tape. • Secure, removable media
5-10 Years			InPhase Tapestry <ul style="list-style-type: none"> • Cost per MB lower than tape or HDD. • 60+ year media life exceeds all other media. • Random Access faster than tape. • Ultimate long term security w/ WORM and no media wear.
10 Years+	Tape		
Critical Needs:			Time to Data
			Media Cost / Reliability

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Competing Archive Technologies



Blue boxes indicate the specifications acceptable in the archive market

Attribute	InPhase Tapestry™	IBM Magstar 3502	STK/Sun T10000B	IBM Jaguar TS1130	Sony D2	Panasonic D3 D5
Capacity / roadmap	360GB - 1.6 TB	100 GB	1 TB	1 TB	375 GB - End of Roadmap	500 GB - End of Roadmap
Drive List Price	\$40K	\$32K	\$37K	\$39K	\$92.4	\$57K
Transfer rate / roadmap	20 - 120 Mbytes/s	14 Mbytes/s	130 Mbytes/s	160 Mbytes/s	Variable	Variable
Media archive life	30 yrs +	7-10 yrs	7-10 yrs	7-10 yrs	7-10 yrs	7-10 yrs
Media cost for 1TB over 50 years	\$93 - \$300	\$6450	\$795	\$725	\$16,300	\$7500
Media handling issues	None	temp & humidity controls required	temp & humidity controls required	temp & humidity controls required	temp & humidity controls required	temp & humidity controls required
Physical WORK	Yes	No	No	No	No	No
Random access	Yes	No	No	No	No	No
Head/media contact	No	Yes	Yes	Yes	Yes	Yes
HW security features	Optical encryption	None	None	None	None	None
Total Cost of Ownership	Low	High	High	High	High	High

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The Archive Market Is Driven By 4 Major Vertical Industries



**Media &
Entertainment**

Government

Health Sciences

IT (Compliance)

InPhase's "Sweetspot"

**Content is the
customer's asset: real
need for cost effective
long term storage**

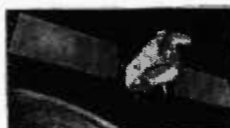
**The creation of content
is expensive for
customer**

**The value of content
increases over time**

**Archive expectations are
"forever"**



**Examples: Geological and
seismic data, movies, weather
modeling, research data**



**Examples: Satellite images,
movies, military surveillance,
clinical trials**



**Examples: Satellite images,
movies, medical history,
research data**



**Examples: Satellite
images, movies, news,
sports, scientific data**

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InPhase Systematic Focus On These Verticals In This Order



- **Media and Entertainment - Professional Video**
 - Has huge analog and video tape time-bomb ticking
 - High definition video is generating more data than they have space for
 - Has prestigious end-users that are willing to pull us “over the chasm”
- **Health Sciences** – Imaging, PACS RIS systems
- **Government** – Intelligence, imaging, etc.
- **General IT** – compliance

InPhase Business Model: InPhase Technologies

Classic Razor/Razor Blade Play

Current Operating Plan

- \$40K drives
- 25 drive units/month
- 25 media/drive per month
- Year 1 is first full year of shipping product

	Per Drive	Per Month	Annualized
Drive Units Sold		25	300
\$/Drive	\$40,000		
Media/Drive	300		
\$/Media	\$150		
Media \$ per Drive-Year	\$45,000		
Year 1 Revenues Per Drive	\$85,000		
Year 2 - 3 Revenues Per Drive	\$45,000		
Year 1 Total Revenues		\$2,125,000	\$25,500,000
Year 2 Total Revenues			\$39,000,000
Year 3 Total Revenues			\$52,500,000

Longer-Term Plan (Yr 3+)

- \$20K drives
- 200 drive units/month
- 50 media/drive per month
- Year 1 is first full year of shipping product

	Per Drive	Per Month	Annualized
Drive Units Sold		200	2,400
\$/Drive	\$20,000		
Media/Drive	600		
\$/Media	\$150		
Media \$ per Drive-Year	\$90,000		
Year 1 Revenues Per Drive	\$110,000		
Year 2 - 3 Revenues Per Drive	\$90,000		
Year 1 Total Revenues		\$22,000,000	\$264,000,000
Year 2 Total Revenues			\$480,000,000
Year 3 Total Revenues			\$696,000,000

InPhase Near-Term Market Traction



	Video/Movie	Government Surveillance/Military	Other Government
Application	Storage of movie/video libraries	Storage of Predator/Reaper drone/satellite downloads	Misc content/database storage
Key Strategic Accounts	Turner/Time Warner, NBC/Universal, Technicolor, Disney and Fox OEMs: Ikegami, DSM	National Reconnaissance Office (NRO): controls US satellite and Predator drone reconnaissance National Geospatial Intelligence Agency (NGA): Storing map imagery	US Army (storage of health care records) NASA (storage of mission videos/records; historical tapes) Securities and Exchange Commission (SEC) Library of Congress
Comments	Disney: 1 movie = 1 Petabyte of data (including raw footage); 1M gigabytes; 3,333 InPhase disks @ 300GB; \$500K @ \$150/disk	10 hrs of Predator surveillance = 1 petabyte of data <i>NY Times</i> Mar 09: 16K hours of video per month in Iraq/Afghanistan/Pakistan)	

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Predator/Reaper Drones: Disk Potential Calculation



Drone Hours	Petabytes	Gigabytes	# Disks @ 300GB Per Disk	Disk Revenue \$ @ \$150/Disk
10	1	1,000,000	3,333	\$500,000
100	10	10,000,000	33,333	\$5,000,000
1,000	100	100,000,000	333,333	\$50,000,000
10,000	1,000	1,000,000,000	3,333,333	\$500,000,000
100,000	10,000	10,000,000,000	33,333,333	\$5,000,000,000

Caveat: Not all material may be archived

"The plan is to deploy four WAAS pods on Predators in April 2010. That is going to allow a single aircraft to stare not just at one spot but 12 separate spots. A more sophisticated version scheduled for 2011 will deliver 30 video images simultaneously. An even more advanced model that could be available in 2012 will provide 65 images." -- *National Defense Magazine, January 2010*



InPhase Intermediate Term Market Traction



InPhase Technologies

	Commercial Archival Storage	Medical Records Storage
Application	Driven by Sarbanes-Oxley requirements for non-tamperable data storage	Storage of medical records (including high-resolution imagery) in a non-tamperable format
Key Strategic Accounts	Initial alliance with Avnet (replacing Plasmon lower-capacity optical drives)	Working with US army subcontractor on system for storing all US Army medical records
Comments	Commercial market will develop rapidly as drive costs are reduced	Computerized medical records storage is a major focus of the Obama administration



How The Distribution Channel Views InPhase



<i>Retention Period</i>	<i>Active Archive</i>		<i>Deep Archive</i>
	<i>High Access</i>	<i>Med Access</i>	
1-5 Years	Present Lines Ciprico, EMC, HDS, HP, IBM, NetApp, Newisys, Oracle	Present Lines	Coexist
5-10 Years	Present Lines	Present Lines	InPhase tapestry 300r
10 Years+	Coexist	InPhase tapestry 300r	InPhase tapestry 300r
<i>Critical Needs: Time to Data</i>			<i>Media Cost / Reliability</i>

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How The Distribution Channel Views InPhase



Active Archive		Deep Archive
High Access	Med Access	
Retention Period		
1-5 Years	No competition with current lines <ul style="list-style-type: none">• High access and speed to archive, best handled by disk arrays.• Retention period acceptable for high energy consumption disk arrays.	Some Competition (Coexist) <ul style="list-style-type: none">• Cost per MB lower than HDD.• Random Access faster than tape.• Secure, removable media
5-10 Years		
10 Years+	Coexist	<ul style="list-style-type: none">• Cost per MB lower than tape or HDD.• 50+ year media life exceeds all other media.• Random Access faster than tape.• Ultimate long term security w/ WORM and no media wear.
Critical Needs:		Media Cost / Reliability
Time to Data		



InPhase Has A Competitive Advantage In Archival Storage



InPhase Technologies

- **Versus tape**
 - » Expensive per bit upfront cost
 - » Required reduplication every 5 years
 - » Required temperature control
 - » No random access
- **Versus other optical media**
 - » BluRay: low transfer rate, low per disk capacity
- **Versus other holographic storage**
 - » No one close to having working drive and media: many startup failures
 - » This is due to extremely high barriers to entry for working product
 - Hundreds of InPhase patents
 - Only InPhase has the requisite media as well as drive technology
 - Know-how: It has taken InPhase 10 years and \$100M to get to where it is today
 - » Most other researchers have been buying InPhase media



InPhase Long-Term Licensing Opportunities



In the long term, InPhase may generate most of its revenues from licensing fees rather than direct manufacturing and sales (may wish to explore carve-out opportunities)

	Media/Materials	Consumer Electronics-Grade Drives
Application	License InPhase's proprietary media chemistry for production by chemical/media companies	Develop writable drives at a cost equivalent to a Blu-Ray drive (\$100 bill of materials)
Key Strategic Accounts	Bayer, Major Asian company	Major Asian company
Comments	By broadly licensing, InPhase could rapidly become the industry standard	Opportunity for holographic drives to supplant CDs/DVDs/BluRay



Valuation Comparables

At \$50M-\$100M in annual revenues, InPhase could be worth \$500M-\$1B in two years.

With rapid ramp-up in 2013+, InPhase has the potential to be worth multiple billions.

Firm	Symbol	Revenue Multiple	EBITDA Multiple
Data Domain EMC Acq July 09	DDUP	Acquisition 8.8x	111x
3Par HP Acq Sep 10	PAR	Acquisition 12.4x	NA
Netezza IBM Acq Sep 10	NZ	Acquisition 8.9x	465x
<i>High Growth With Extensive IP</i>			
A123	A123	20.29	NM
RamBus	RMBS	17.81	NM
Mellanox	MLNX	5.27	34.53
EZChip	EZCH	8.31	87.96
Cavium	CAVM	9.54	NM
Xilinx	XLNX	3.91	20.54
Altera	ALTR	28.31	5.65
Qualcomm	QCOM	7.16	47.44
Linear Tech	LLTC	6.95	22.91
<i>Lower growth Drive companies</i>			
Seagate	STX	0.86	NM
Western Digital	WDC	1.15	16.38
Quantum	QTM	0.79	NM

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Key Issues

- **Getting to saleable product shipped to customers**
 - » To date, InPhase has spent over \$100M without coming up with commercially saleable product
 - » What was the problem?
 - » What is the solution, and is it solvable at a reasonable funding level?
 - » Is this time really different? Why?
- **Developing an appropriate operating plan**
- **Financing the company**

How Did InPhase Spend \$100M Without Getting Product To Market?



InPhase Technologies

- **This is an extremely complex engineering task with high technical barriers to entry, requiring joint development of media as well as drives**
 - » As a result, legitimately required tens of millions of dollars to get to working drives and media
 - » Firms like IBM, Sony, GE and Hitachi are 5+ years behind InPhase in product development
- **InPhase prematurely decided to ramp up to productization in 2005-6, despite April 2005 warning from engineering staff that product would not be ready for volume manufacturing until 2008**
 - » Accumulated deficit as of YE 2005 was -\$51M; with 2005 opex of \$12M (\$10M in 2004)
 - » Due to ramp-up, Opex rose to \$18M (2006); \$20M (2007); \$19M (2008)
 - » Parts inventory rose from \$19K 12/31/05 to \$1826K 12/31/08
- **As a result:**
 - » Net cash burn differential (versus level \$10M burn): approximately \$30M
 - » Net deficit as of 12/31/08 was -\$96M



InPhase Current Product Status: Media

- **Consistency of media performance is very stable/robust**
- **Development status**
 - » Most recent formulation satisfies all drive requirements
 - » Testing edge seal solutions and robustness after multiple reads will require 4-6 months of work
 - » The newest media has much better sensitivity. This may translate to faster write speeds
- **Production/Inventory Status**
 - » 500+ pieces of preproduction storage media already at InPhase
 - » Can manufacture 25 pieces of media/8 hr shift, fill customer needs with internal manufacturing for now



InPhase Current Product Status: Drives

- **Have 5 working drives @ 300GByte/disk; 10MByte/sec write and read**
 - » Units are interchangeable write/read
 - » High bill of materials (BOM): \$39K; needs to be cost reduced in 2nd generation product
- **To get to 1st generation saleable product, need to do the following work**
 - » ***Physical drive changes (relatively minor issues)***
 - Re-spin of hood board to prevent identified intermittents that cause laser to stop operating: parts cost \$5K x 5 drives = \$25K
 - New mirror mounts that are more stable: low cost
 - » ***Firmware improvement (Critical path issue, but not a fundamental engineering problem)***
 - Read/Write channels were never completely optimized (process of putting raw data from camera into buffers not fully optimized; algorithms must be tweaked)
 - Diagnostics need to be built into drive software (currently error codes are generated, but must be interpreted by highly skilled users)
 - Optimization may improve transfer rates from 10 MB/sec to 15 MB/sec



InPhase Technologies

Developing An Appropriate Operating Plan

- **Characteristics of an appropriate plan**
 - » Need to refocus the company on getting something out that works versus historical 'research' orientation
 - » Need to get to saleable product ASAP in under 1 year
 - » Need to get to saleable product spending millions, not tens of millions
- **First attempt ('April Plan')**
 - » April 2010: Signal Lake hired Kevin Curtis (ex CTO and co-founder) to be CEO of InPhase with \$3M of funding from secured lender; but with expectation of \$25M-\$35M of additional funds
 - » Due to lack of clear path to saleable product, has been replaced by current plan
- **Current plan**
 - » Relying on seasoned business professionals (Art Rancis and Jim Russo) to de-emphasize InPhase historical 'research' orientation
 - » Heavy focus on getting saleable product to customers
 - » At minimal cost



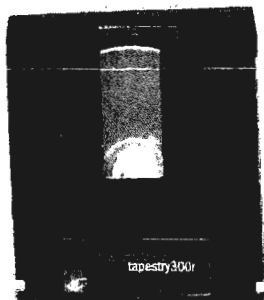
Recruiting New Management Team

- **We have recruited key business-oriented InPhase veterans to help us think through how to get InPhase product to market more quickly**
 - » *Art Rancis*, storage industry veteran, and former VP Marketing and Sales, has agreed to become CEO and manage restart
 - » *Jim Russo*, former CTO for the Network Attached Storage division of HP, former VP of Engineering at Chapparal, and former InPhase VP of Engineering, has agreed to become EVP Engineering
 - » *Dave Kempf* will serve as acting CFO
- **As a result, we believe that it will be possible to get working preproduction product to customers quickly for \$3M**

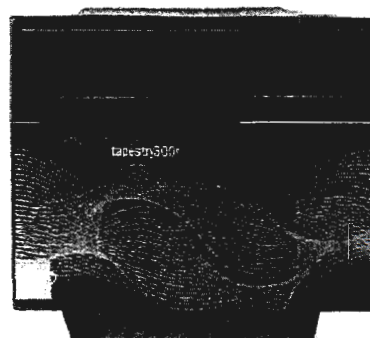


InPhase technologies

InPhase 2007-2008 Prototype Media and Drive



Media Cartridge



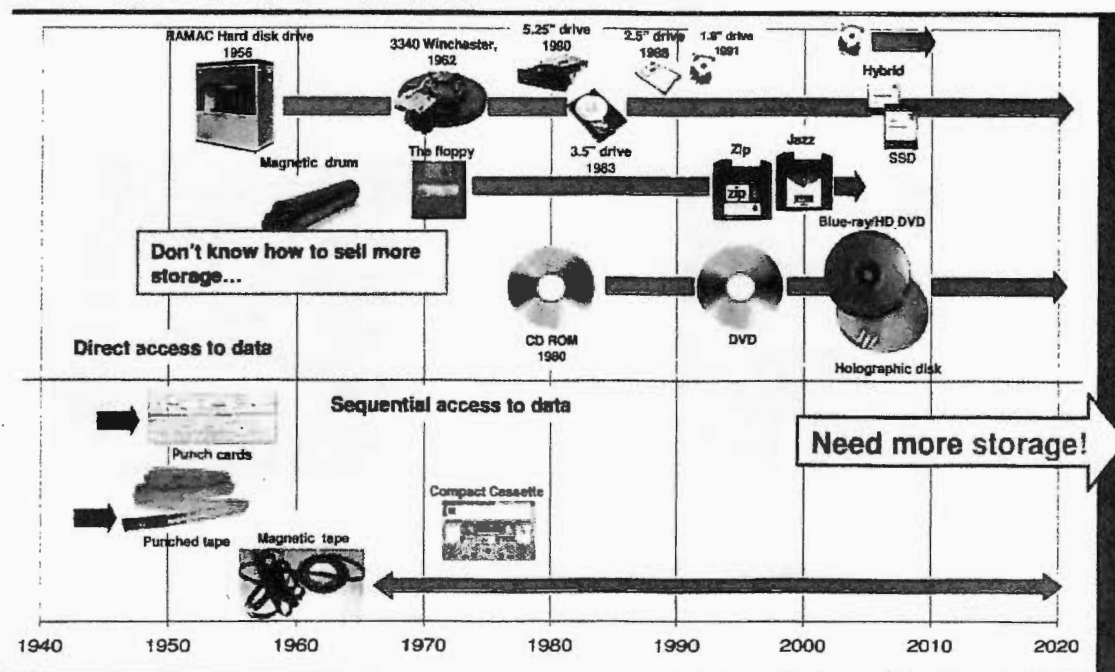
Holographic Drive

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History of Computer Data Storage



Source: Andrei Khurshudov Seagate Technology