

Arnouse Digital Devices

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February 7, 2011

Mr. Sanjay K. Jha
Chief Executive Officer, Director
Motorola Mobility, Inc.
600 North U.S. Highway 45
Libertyville, Il 60048

Re: Motorola Atrix and Arnouse Digital Devices' Mobile PC and Patent Portfolio

Dear Mr. Jha:

My name is Michael Arnouse, and I am president of Arnouse Digital Devices ("ADD"). We recently attended the Consumer Electronics Show ("CES") and observed the new Motorola Atrix phone. After observing the new Motorola Atrix's capabilities, I believe that Motorola would be interested to learn about Arnouse's products and patent portfolio in this space.

For example, ADD completed initial testing on the first credit card-sized PC ("CCPC"). See <http://www.arnousedigitaldevices.com/press.php>. The CCPC is a pocket-sized mobile device that operates as a computer when connected to a reader, which may or may not already have computing capabilities. The CCPC may also have computing capabilities and may also be a cell phone, personal digital assistant, or similar device. For example, the CCPC may be in the form of a mobile phone and the reader may be in the form of a laptop dock or computer. As such, the CCPC allows a user to carry the personal portions of a computer in his or her pocket and then access a more user-friendly console or kiosk elsewhere.

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The CCPC is covered by the following patents and published patent applications, which are enclosed in this letter¹: (1) U.S. Patent No. 7,533,408 entitled "Portable computing system, apparatus and method"; (2) U.S. Patent No. 7,516,484 entitled "Reader adapted for a portable computer"; and (3) U.S. Patent Application No. 2009/0200367 entitled "Portable computing system and portable computer for use with same" (the "CCPC Patent Portfolio").

ADD's technology does not stop with the CCPC Patent Portfolio. ADD's portfolio also includes a smart card that is versatile in operation and also secure through use of biometrics for authentication. The technology is also used to access a mobile phone, a credit card or for other transactions where verification of owner identity is necessary, such as voting and banking. The patents are listed on our website: www.arnousedigitaldevices.com.

Clearly, Mr. Jha, licensing ADD's patents is the next step in what obviously could be multiple business possibilities for each of our respective companies and their customers. I look forward to hearing from you as soon as practical to discuss these opportunities.

Sincerely yours,

Michael Arnouse
President, CEO
Arnouse Digital Devices Corp.

Enclosures

U.S. Pat. No. 7,533,408
U.S. Pat. No. 7,516,484
U.S. Pat. Appn. No. 2009/0200367.

¹ There are also various unpublished patent applications on CCPC features.



February 15, 2011

BY FAX: (516) 626-6001
CONFIRMATION BY U.S. MAIL

Mr. Michael Arnouse
President, CEO
Arnouse Digital Devices Corp.
15 Hickory Drive
Glen Head, NY 11545

Re: U.S. Patents Nos. 7,533,408 and 7,516,484; and U.S. Patent App. No. 12/402,712

Dear Mr. Arnouse:

Your recent letter, dated February 7, 2011, to Sanjay Jha of Motorola Mobility, Inc. regarding Arnouse Digital Devices Corporation's ("ADD") above-referenced patents has been forwarded to me for handling. I will coordinate Motorola Mobility's review of this matter going forward so please direct all correspondence regarding this matter to my attention.

It is Motorola Mobility's long-standing policy to respect the intellectual property rights of others and to properly investigate possible licensing opportunities. We have initiated an investigation into this matter. At this time, however, Motorola Mobility is unable to substantively respond to your letter because of its generalized nature and the lack of detail as to how ADD's patents apply, if at all, to any Motorola Mobility products. Accordingly, please provide us with further information on how you believe ADD's patents are relevant to Motorola Mobility. In particular, we require a specific explanation of the basis of AAD's assertions involving the applicability of the claims of AAD's patents to Motorola Mobility's products, *i.e.*, a claim chart. This information is necessary to fully understand your concerns and complete our inquiry.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Timothy M. Kowalski'.

Timothy M. Kowalski
Lead Intellectual Property Counsel

Motorola Mobility, Inc.
Law Department
600 North U.S. Highway 45
Libertyville, IL 60048-1286
Tel (847) 523-6588 • Fax (847) 523-0727



MOTOROLA

To: Mr. Michael Arouse	From: Timothy M. Kowalski Lead Intellectual Property Counsel
Fax:	Pages: 2, including cover
Phone: 516-626-6001	Date: February 15, 2011
Re:	cc:

Comments:

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