



HZC / ALL
Transmittal Number: 15325927
Date Processed: 06/28/2016

Notice of Service of Process

Primary Contact: Legal Department
Internet Society
1775 Wiehle Ave
Suite 201
Reston, VA 20190

Entity:	Internet Society Entity ID Number 1867995
Entity Served:	Internet Society
Title of Action:	Todd Glassey vs. Microsemi, Corporation
Document(s) Type:	Summons/Complaint
Nature of Action:	Contract
Court/Agency:	Santa Cruz County Superior Court, California
Case/Reference No:	16CV01577
Jurisdiction Served:	District Of Columbia
Date Served on TCC:	06/28/2016
Answer or Appearance Due:	30 Days
Originally Served On:	CSC
How Served:	Personal Service
Sender Information:	Dennis L. Kennelly 650-224-3113

Information contained on this transmittal form is for record keeping, notification and forwarding the attached document(s). It does not constitute a legal opinion. The recipient is responsible for interpreting the documents and taking appropriate action.

To avoid potential delay, please do not send your response to The Company Corporation

CSC is SAS70 Type II certified for its Litigation Management System.

2711 Centerville Road Wilmington, DE 19808 (888) 690-2882 | sop@cscinfo.com

SUMMONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT: (AVISO AL DEMANDADO):

Microsemi Corporation a Delaware Corporation; Morgan Stanley a Delaware Corporation; Bank of America a Delaware Corporation;

YOU ARE BEING SUED BY PLAINTIFF: (LO ESTÁ DEMANDANDO EL DEMANDANTE):

TODD GLASSEY AND MICHAEL MCNEIL

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

JUN 24 2016

CLERK AND CLERK
BY AMANDA LUCAS
DEPUTY, SANTA CRUZ COUNTY

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es): Superior Court of California
701 Ocean Street, Santa Cruz, CA 95060

CASE NUMBER
(Número del Caso)

16CV01577

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Dennis L. Kennelly, 9107 Wilshire Blvd., Suite 450, Beverly Hills, CA 90210, (650) 224-3113

DATE:
(Fecha)

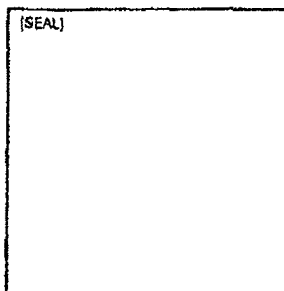
JUN 24 2016

Clerk, by
(Secretario)

AMANDA LUCAS

Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☒ on behalf of (specify): Internet Society, a District of Columbia Corporation
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☒ other (specify): Limited Liability Company
4. ☐ by personal delivery on (date):

SHORT TITLE:

Todd Glassey, et al., v Microsemi, Corp., et al.

CASE NUMBER:

INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff ☒ Defendant ☐ Cross-Complainant ☐ Cross-Defendant

Internet Society a District of Columbia Corporation;
 Adobe Systems Incorporated a Delaware Corporation;
 Does I through X;
 Roes I through L.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SANTA CRUZ Santa Cruz Branch 701 Ocean Street, Room 110 Santa Cruz, CA 95060	<div style="text-align: center;"> FILED 06/24/2016 Alex Calvo, Clerk By: Amanda Lucas Deputy, Santa Cruz County </div>
Todd Glassey, et al VS Microsemi Corporation, et al	
CASE MANAGEMENT INFORMATION AND SETTING	CASE NO: 16CV01577

This case is in Santa Cruz County's Case Management Program. It is the duty of each party to be familiar with the California Rules of Court and the date, time and place of the first case management conference.

This notice must be served with the summons on all defendants and cross-defendants. Notice of any other pending case management conference must be served on subsequently named defendants and cross-defendants.

Attention Defendant: You have 30 days after the summons is served on you to file a written response to the complaint with the court. The date below does not extend the time to file a response. See the summons for instructions for responding to the summons and complaint. A written response may not be necessary in all cases. To make this determination it is important to seek legal advice and information. See the referrals at the bottom of this form.

The first Case Management Conference hearing date is:

Date: 10/25/2016 Time: 8:30 Santa Cruz Department 4

Address of the Court: 701 Ocean Street, Santa Cruz, California

Telephonic court appearances are provided through CourtCall to the court. To make arrangements to appear at the Case Management Conference by telephone, please call the program administrator for CourtCall at (888) 882-6878 at least five (5) court days prior to the hearing. DO NOT CALL THE COURT.

If you are in need of legal advice or legal information on how to proceed in your case you may call or visit the following resources:

1. Santa Cruz County Bar Association Lawyer Referral Service: Phone 831-425-4755 (Fee based service).
2. Santa Cruz County Law Library: 701 Ocean Street, Room 70 Basement, Santa Cruz, CA 95060 Phone 831-454-2205, www.lawlibrary.org, for hours and other resources.
3. Santa Cruz Superior Court Self Help Center: 1 Second Street, Room 301, Watsonville, CA 95076 Phone 831-786-7200, option 4, www.santacruzcourt.org, for hours and workshop options.
4. Watsonville Law Center: 831-722-2845.

1 Dennis L. Kennelly, (SBN 064916)
2 Law Office of Dennis L. Kennelly
3 9107 Wilshire Blvd., Suite 450
4 Beverly Hills, CA 90210
5 Phone: (650) 224-3113
6 Fax: (818) 456-4832
7 Email: kennelly.dennis@gmail.com
8 Attorney for Plaintiffs Todd Glassey and Michael McNeil

FILED
JUN 24 2016

ALEX CALVO, CLERK
BY AMANDA LUCAS
DEPUTY, SANTA CRUZ COUNTY

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CRUZ

TODD GLASSEY AND MICHAEL MCNEIL,
Plaintiffs,

CASE NO.: 16CV01577

COMPLAINT FOR DAMAGES

vs.

MICROSEMI, CORPORATION, A
DELAWARE CORPORATION; MORGAN
STANLEY, A DELAWARE CORPORATION;
BANK OF AMERICA, A DELAWARE
CORPORATION (INTERNET SOCIETY) A
DISTRICT OF COLUMBIA CORPORATION;
ADOBE SYSTEMS, INCORPORATED, A
DELAWARE CORPORATION; DOES 1
THROUGH X AND ROES 1 THROUGH L
Defendants.

Plaintiffs Todd Glassey and Michael McNeil allege:

GENERAL CHARGING ALLEGATIONS

1. At all times relevant herein Plaintiff Todd Glassey [hereinafter
"Glassey"] was and is a resident of Santa Cruz County, California.

2. At all times relevant herein Plaintiff Michael McNeil [hereinafter
"McNeil"] was and is a resident of Santa Cruz, California.

3. At all times relevant herein Defendant Microsemi Corporation
[hereinafter "Microsemi"] Plaintiffs are informed and believe and on that basis allege
is a corporation organized and existing under the laws of the State of Delaware

1 which has its principal place of business in Los Angeles County, California and does
2 substantial business in the State of California. Plaintiffs are further informed and
3 believe that it is the successor in interest to Datum Corporation.

4 4. Plaintiffs are informed and believe and on that basis allege that
5 Defendant Bank of America, Inc. [hereinafter "B of A"] is a financial service company
6 and organized and existing under the laws of the State of Delaware, with its principal
7 place of business in Charlotte, North Carolina which has substantial business
8 presence in California. Plaintiffs are further informed and believe and on that basis
9 allege that B of A is an assignee of the original rights and obligations under the
10 Settlement Agreement between Plaintiffs and Datum Corporation attached to this
11 Complaint as Exhibit "A" and Exhibit "B", and dated November 19, 1999.

12 5. Plaintiffs are informed and believe and on that basis allege that
13 Defendant Morgan Stanley [hereinafter "M/S"] is a Corporation organized and
14 existing under the laws of the State of Delaware with its principal place of business
15 in New York, New York which does substantial business in California. Plaintiffs are
16 further informed and believe and on this basis allege that M/S is an assignee
17 through B of A of the original rights and obligations under the Settlement Agreement
18 between Plaintiffs and Datum Corporation attached to this Complaint as Exhibit "A"
19 and Exhibit "B", and dated November 19, 1999.

20 6. Plaintiffs are informed and believe and on that basis allege that
21 Defendant Adobe Incorporated [hereinafter "Adobe"] is a Corporation organized and
22 existing under the laws of the State of Delaware with its principal place of business
23 in San Jose, California. Plaintiffs are further informed and believe and on that basis
24 allege that Adobe is a licensee of the technology governed by Exhibit "A" and Exhibit
25 "B" and thus subject to its terms.

1 7. Plaintiffs are informed and believe and on that basis allege that the
2 Defendant Internet Society [hereinafter "IS/IETF"] is a limited Liability Company
3 organized and existing under the laws of the District of Columbia with its principal of
4 business in Reston, Virginia which has substantial business contacts in California
5 and which sponsors the Internet Engineering Task Force [hereinafter "IETF"] an
6 unincorporated association of members which has its principal place of business in
7 New York, New York.

8 8. Defendants DOE 1 through DOE X, inclusive, were at all times relevant
9 herein employees, agents, officers and/or elected officials of Defendants. Plaintiffs
10 are ignorant of the true names and capacities of the Defendants sued herein as
11 DOES 1 through X, inclusive, and therefore sue these Defendants by such fictitious
12 names. Plaintiffs will pray leave of this Court to amend this Complaint to allege the
13 true names and capacities when ascertained.

14 9. Defendants ROE 1 through ROE L were and are at all times relevant
15 herein corporations, limited liability corporations, limited liability companies,
16 partnerships, or unincorporated associations. Plaintiffs are unaware or ignorant of
17 the true names or corporate status/non status of the Defendants sued herein as
18 Roes 1 through L inclusive and therefore sue these Defendants by such fictitious
19 names Plaintiff will pray leave of this court to amend this Complaint to allege the
20 true names and capacities when ascertained.

21 10. Plaintiffs are informed and believe and on that basis allege, that each of
22 the Defendants herein was, at all times relevant to this action, the agent, employee,
23 representing partner or joint venturer of the remaining Defendants and was acting
24 within the course and scope of that relationship. Plaintiffs are further informed and
25 believe and on that basis allege, that each of the Defendants herein gave consent to,

1 ratified and authorized the acts alleged herein to each of the remaining Defendants.

2 11. Plaintiffs worked for Datum in the late 1990's as non-employee
3 consultants. They were working on a time stamping process. A dispute arose over
4 who had contributed what to several patents which were filed. The culmination of
5 that dispute was Datum's filing a lawsuit against Plaintiffs. That lawsuit was
6 resolved as part of the settlement agreement between the parties which are attached
7 hereto as Exhibit "A" and Exhibit "B". Section 8.1 of Exhibit "A" and Exhibit "B" sets
8 forth that the agreements is governed by the laws of the State of California. Section
9 8.3 of Exhibit "A" and Exhibit "B" sets forth that the Agreement is binding and
10 enforceable against all successors and assigns (including their licensees and or sub
11 licensees). Section 8.7 of Exhibit "A" and Exhibit "B" requires that the parties to this
12 agreement take any acts and execute any further documents reasonably necessary
13 to accomplish and effect the terms of Exhibit "A" and Exhibit "B". From the
14 beginning Datum and every other successor, assignor or licensee has failed to notify
15 those to whom they transferred, assigned or licensed the intellectual property that is
16 covered by Exhibit "A" and Exhibit "B" of their obligations and requirements under
17 Exhibit "A" and Exhibit "B". This includes their acceptance of California Law as
18 applicable to their use of the intellectual property covered by Exhibit "A" and Exhibit
19 "B". The only way to modify that requirement is a release signed by both Datum and
20 the Plaintiffs or a modification of the agreement signed by both the Plaintiffs and the
21 successor in interest to Datum. To date no such releases have been granted or
22 sought and no such modification of Section 8. Has been executed. Plaintiffs have
23 been damaged in that the contract has been continuously breached literally from the
24 first assignment or license all to Plaintiffs' economic damage.

25 12. After signing and executing Exhibit "A" and Exhibit "B", Datum and its

1 successors in interest wrongfully withheld a fully executed copy or original of Exhibit
2 "A" and Exhibit "B" despite Plaintiffs' vigorous efforts to secure a copy thereof. Some
3 at Datum or their successors in interest went so far as to deny that Exhibit "A" and
4 Exhibit "B" even existed. Plaintiffs only received a fully executed agreement on or
5 about February 26, 2013 and are informed and believe that any statutes of limitation
6 were tolled while the agreement was wrongfully withheld from them.

7 13. Defendants Adobe and the Internet Society breached Exhibit "A" and
8 Exhibit "B" by failing to acknowledge their obligations thereunder to those who
9 entered or assigned the intellectual property covered by Exhibit "A" and Exhibit "B"
10 to them and requiring those to whom they licensed or assigned the intellectual
11 property to provide them with a similar acknowledgement of their willingness to
12 accept their obligations under Exhibit "A" and Exhibit "B". The Internet Society as a
13 standards organization such as IETF additionally breached by failing to stress to
14 those using the intellectual property through the so-called Open Source agreement
15 of their obligations under Exhibit "A" and Exhibit "B"

16 **FIRST CAUSE OF ACTION**

17 [Breach of contract against Datum]

18 14. Plaintiffs hereby reallege and incorporate by reference herein as if fully
19 set forth paragraphs 1 through 13 of this Complaint.

20 15. After settling the dispute with the Plaintiffs as outlined in Exhibit "A"
21 and Exhibit "B", Datum as an assignor or licensor was limited to those rights that
22 were outlined in Exhibit "A" and Exhibit "B". they could not transfer or license any
23 more rights than they had been granted by Exhibit "A" and Exhibit "B" regarding the
24 intellectual property that is covered by those agreements. They also had certain
25 obligations under Exhibit "A" and Exhibit "B": specifically they were bound under

1 Section 8.7 of the agreement which says "They parties agree to take any acts or
2 execute any further documents that may be reasonably necessary to accomplish and
3 effect the terms of this agreement."

4 16. Plaintiffs are informed and believe and on that basis allege that Datum
5 did not notify any subsequent assignee, successor, or licensee either orally or in
6 writing of their obligations under Exhibit "A" and Exhibit "B" specifically the choice
7 of law provision in Section 8.1 which reads as follows:

8 ***"This Agreement is subject to, governed by and shall be***
9 ***construed in accordance with the laws of the State of***
10 ***California."***

11 17. Section 8.4 of Exhibit "A" and Exhibit "B" is the Successors and
12 Assigns clause which provides that the rights and obligations under Exhibit "A" and
13 Exhibit "B" pass to any successor or assigns of Datum, its successors or assignees.
14 Plaintiffs are informed and believe on that basis allege that neither Datum nor any of
15 its successors or assigns including licensees have ever met their obligations under
16 Section 8.7 of the agreement to notify assigns and successors under the agreement
17 and to receive a written acknowledgement of acceptance of their obligations under
18 Exhibit "A" and Exhibit "B" as required by Section 8.4 of the Agreement.

19 18. In failing to notify their successors, assigns of their obligations under
20 the agreement (Exhibit "A" and Exhibit "B") to be governed by California law in the
21 use of the intellectual property covered by the agreement, Datum breached Exhibit
22 "A" and Exhibit "B".

23 19. The current successor in interest to Datum is Microsemi which
24 assigned their rights to Bank of America. Plaintiffs are informed and believe and on
25 that basis allege that neither Microsemi or B of A notified each other of their
obligations under the agreement. B of A further compounded the problem by failing

1 to notify the current assignee Morgan Stanley.

2 20. As of a result of Microsemi's actions which were in breach of Exhibit
3 "A" and Exhibit "B". Plaintiffs have suffered economic damage in excess of \$100
4 million dollars and such damages are continuing. The exact nature and extent of
5 such damages will be proved at time of trial.

6 **SECOND CAUSE OF ACTION**

7 (Breach of contract against Defendant Bank of America)

8 21. Plaintiffs hereby reallege and incorporate by reference herein as if fully
9 set forth paragraphs 1 through 20 of this Complaint.

10 22. Plaintiffs are informed and believe and on that basis allege that
11 Microsemi assigned the intellectual property covered by Exhibit "A" and Exhibit "B"
12 to B of A as collateral for a loan. Plaintiffs are further informed and believe and on
13 that basis allege that B of A assigned their rights under Exhibit A and Exhibit B to
14 Morgan Stanley without informing them of their obligations under the agreements or
15 securing from them an acknowledgement of the assumption of their obligations
16 under agreements.

17 23. Such a transfer under Exhibit "A" and Exhibit "B" to M/S without
18 notification of the obligations they were assuming was a breach of contract by B of A.
19 The conduct of B of A including its breach caused the Plaintiffs to suffer economic
20 damages and such damages are continuing. The exact nature and extent of Plaintiff's
21 damages will be proven at time of trial.

22 **THIRD CAUSE OF ACTION**

23 [Breach of Contract against Defendant Morgan Stanley]

24 24. Plaintiffs hereby reallege and incorporate by reference herein as if set
25 forth paragraphs 1 through 23 of this Complaint.

25. As stated above Plaintiffs are informed and believe and on that basis allege that B of A assigned its rights and obligations under Exhibit "A" and Exhibit "B" to M/S. Plaintiffs are further informed and believe and on that basis allege that M/S did not provide B of A a statement as required under Section 8.4 that they were assuming B of A's obligations under Exhibit "A" and Exhibit "B". Plaintiffs are further informed and believe and on that basis allege that M/S has not informed any prospective assignees of any of the obligations they would be assuming if they were assigned the agreement's intellectual property obligation.

26. In doing so M/S breached Exhibit "A" and Exhibit "B" and caused the Plaintiffs to suffer extensive economic damage which continues. The exact nature of and extent of Plaintiffs' damage will be proven at time of trial.

FOURTH CAUSE OF ACTION

[Breach of Contract against Adobe Systems Incorporated]

27. Plaintiffs hereby reallege and incorporate by reference herein as if fully set forth paragraphs 1 through 26 of this Complaint.

28. Plaintiffs are informed and believe and on that basis allege that Adobe was one of the early licensees of the technology and intellectual property subject to Exhibit "A" and Exhibit "B". Adobe used this technology in the design and creation and production of their popular PDF product.

29. Plaintiffs are informed and believe and on that basis allege that Adobe breached Exhibit "A" and Exhibit "B" when it failed to follow section 8.4 of the agreement by failing to provide written notice to its licensor or assignor that it was assuming its obligation under Exhibit "A" and Exhibit "B" and failed to notify its assignees or licensees of their obligations under Exhibit "A" and Exhibit "B" thus ultimately failing to notify all who use their popular PDF format.

1 30. Adobe's breach of Exhibit "A" and Exhibit "B" has caused the Plaintiffs
2 substantial economic damage and such damages are continuing. The exact nature
3 and extent of Plaintiffs' damage will be proven at the time of trial.

4 **FIFTH CAUSE OF ACTION**

5 [Breach of Contract against Defendant Internet Society]

6 31. Plaintiffs hereby reallege and incorporate by reference herein as if fully
7 set forth paragraphs 1 through 30 of this Complaint.

8 32. Plaintiffs are informed and believe and on that basis allege that
9 Defendant Internet Society sponsors and operates the Internet Engineering Task
10 Force (IETF) which acts as the standards organization for Internet users worldwide.
11 It is the IETF which promulgates protocols under which various pieces of technology
12 can be used including any restrictions that may be imposed on it. Essentially you
13 may utilize the protocol as long as the user accepts the terms and conditions of its
14 use.

15 33. The Plaintiffs are informed and believe and on that basis allege that the
16 Internet Society utilizes the technology covered by Exhibit "A" and Exhibit "B" in its
17 internal processes. Plaintiffs are further informed and believe and on that basis
18 allege that the Internet Society has breached Exhibit "A" and Exhibit "B" in at least
19 two ways. The first is that it has failed to provide its assignor or licensor a written
20 acknowledgement of its obligations and willingness to assume them as required by
21 Section 8.4. Secondly in promulgating its standards the IS has failed to stress the
22 restrictions on the use of the intellectual property covered by Exhibit "A" and Exhibit
23 "B" to the point almost universal abuse of the intellectual property has developed.

24 34. Internet Society's conduct in breaching the contract has caused the
25 Plaintiffs substantial economic damage and such damages are continuing. The exact

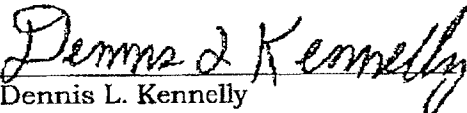
1 nature and extent of Plaintiff's damages will be proven at time of trial.

2 Wherefore Plaintiffs pray judgment against Defendants and each of them as
3 follows:

- 4 1. For economic damages according to proof.
- 5 2. For costs of suit herein.
- 6 3. For Attorney's fees where authorized by contract or statute.
- 7 4. For such other relief that the court shall deem appropriate.

8
9 Dated: June 24, 2016

Law Office of Dennis L. Kennelly

10 
11 Dennis L. Kennelly

12 Attorney for Plaintiffs Todd Glassey and
13 Michael McNeil
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EXHIBIT A

EXHIBIT A

7

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Release ("Agreement") is entered into by and between DATUM, INC. ("DATUM"), on the one hand, and GLASSEY-MCNEIL TECHNOLOGIES ("GMT"), TODD GLASSEY ("GLASSEY"), and MICHAEL MCNEIL ("MCNEIL"), (sometimes collectively referred to as "GMT/GLASSEY/MCNEIL"), on the other hand.

SECTION ONE

BACKGROUND

1.1 This Agreement is a mutual and complete compromise between the parties and is intended as a complete and final resolution and settlement of the respective differences, positions and claims of DATUM and GMT/GLASSEY/MCNEIL, as described below.

1.2 All parties hereto desire to avoid the risks and expenses attendant upon further litigation and to reach a mutual, full and final compromise and settlement of the parties' disputes, claims, causes of action and the like.

1.3 In or about February 1998 the parties began collaborating on the development of certain technologies related to electronic commerce and time verification, which included the development of certain intellectual property, technologies, trade secrets and confidential and proprietary information. The parties also collaborated on the development of marketing efforts related to electronic commerce and time verification. The parties' collaborative efforts continued through the end of 1998/early 1999.

1.4 From the parties' business relationship a dispute arose between DATUM and GMT/GLASSEY/MCNEIL. Among other things, the parties dispute ownership in and other rights to certain of the intellectual property, technologies, trade secrets and confidential and proprietary information developed or contributed during the parties relationship, including the Protected Technology, defined below. When the parties were unable to resolve the dispute informally, on or around August 20, 1999, DATUM filed a complaint (the "COMPLAINT") stating claims for, among other things, Breach of Contract, Breach of the Covenant of Good Faith and Fair Dealing,

DOCSOC696188vJA19250.0043

SYM00012

Misappropriation of Trade Secrets and Proprietary Business Information, Trade Libel, Slander and Declaratory Relief.

SECTION TWO

DEFINITIONS

2.1 Protected Technology: Protected Technology includes any information, data, method, product, software, hardware, trade secrets, copyrights, documents, e-mails, technology, ideas, or inventions, disclosed, provided, produced, created in any form by GMT/GLASSEY/MCNEIL to, for, or in conjunction with DATUM between the initiation of the parties' relationship on February 1, 1998 through March 1, 1999, including any derivatives thereof and any information, data, method, product, software, hardware, trade secrets, copyrights, documents, e-mails, technology, ideas, or inventions, disclosed, provided, produced, created in any form by DATUM to which GMT/GLASSEY/MCNEIL had, or was provided access to, or gained knowledge of or worked on between February 1, 1998 through March 1, 1999, including all derivatives thereof, including the Trusted Time Infrastructure ("TTI"), TTI II, or any further derivative or variation thereof, including but not limited to the Trusted Local Clocks and Trusted Master Clocks defined below.

2.2 Trusted Local Clocks: The Trusted Local Clock ("TLC") is a particular implementation of a trusted clock that is periodically certified to an upper clock, typically a Trusted Master Clock (TMC). The TLC provides time stamp tokens and temporal tokens. The TLC is a PCiv2.1 compliant card and assumed to be operating in an insecure host in an insecure environment. It uses a real time operating system to control the on-card functions.

2.3 Trusted Master Clocks: The Trusted Master Clock ("TMC") is a particular implementation of a trusted clock, synchronized to Coordinated Universal Time and made comparable to the time offered by a National Time Standard such as the National Institute of Science and Technology, which generates trusted time data which is sent to TLCs for time stamping and other certification purposes. The TMC also monitors and calibrates the TLCs.

2.4 Trusted Time Infrastructure: The term Trusted Time Infrastructure ("TTI") describes

a particular system and process developed by Datum by which time can be affixed to an e-commerce document or transaction, or any other electronically transmitted information, in such a way that it can be free from outside alteration, thus providing a universal, secure and reliable way to ascertain when a transaction occurred or a document was received or sent.

*John H. Hyl
Michael Merrill*

2.5 Net Sales: Net Sales shall mean the amount invoiced for sales of Trusted Local Clocks and Trusted Master Clocks (collectively the "Licensed Products") by DATUM less the following deductions (to the extent they are not already reflected in the amount billed):

- (i) Discounts, refunds, and wholesaler chargebacks allowed and taken in accordance customary in the trade;
- (ii) Import, export, excise, sales or use taxes, tariffs and duties directly imposed and with reference to particular sales;
- (iii) Outbound transportation prepaid or allowed, including insurance.
- (iv) Amounts allowed or credited on rebates, returns or retroactive price deductions.

Licensed Products shall be considered "sold" when the amount billed out or invoiced to a third party has been received by DATUM. Licensed Products shall not be sold for less than commercially reasonable amounts, provided however, DATUM may provide Licensed Products as samples and promotional items in the normal course of business for no charge or reduced charge. If a Licensed Product is incorporated into another product or is sold in combination with other products or services and not invoiced separately, such Licensed Products shall be included in the Net Sales at the then current list price for such quantities of such Licensed Products with any discount from list price being applied proportionately to the discount from list price of the product into which the Licensed Product was incorporated or the list price of the other product sold, as the case may be. If there is then no current list price for such Licensed Product, the Net Sales will be based on the separate value of such Licensed Product and such other products or services.

SECTION THREE
TERMS OF SETTLEMENT

3.1 In consideration of the mutual covenants set forth herein, and in full settlement of the claims and causes of action asserted or held by DATUM and/or GMT/GLASSEY/MCNEIL, the parties agree as follows:

3.2 Royalty:

(a) DATUM agrees to pay to GMT/GLASSEY/MCNEIL a three percent (3%) royalty upon the Net Sales by DATUM of any DATUM Trusted Local Clocks and Trusted Master Clocks. The royalty shall be calculated based upon final sales as of the end of the calendar year in which a royalty may be calculated. The royalty shall be due within sixty (60) days of the end of each year the royalty is due.

(b) The duration of the royalty shall be three (3) years (years 2000, 2001 and 2002).

(c) The royalty shall be subject to a ceiling of \$150,000 per year. Under no circumstances shall DATUM be obligated to pay more than \$150,000 in royalties in any calendar year irrespective of the amount of its Net Sales in any calendar year. GMT/GLASSEY/MCNEIL has no rights to any payment other than the 3% royalty and subject to the ceiling of \$150,000.

(d) DATUM agrees to advance \$50,000 of its royalty payment at the commencement of each year for which a royalty may be paid. The first advance payment shall be made per the wiring instructions below on or before January 7, 2000. Thereafter, the advance shall be paid within the first thirty days of each calendar year per the instructions below. Each of the three (3) \$50,000 advances shall be nonrefundable and shall not be subject to whether DATUM generates sufficient sales to generate the royalty payments but shall be creditable against the royalty earned pursuant to this section. All other royalty payments are subject to DATUM achieving sales of the two (2) products subject of the royalty.

(e) The first advance payment, due on or before January 7, 2000, shall be made by wire transfer to the following account:

(Correct #)
Bank Acc. # —

01-49530-5

Name on Account —

Bosso Williams
attorney Trust
Account.

Bank Routing No. 121139096
Bank Account No. 01-49350-5
Bank Name: Coast Commercial Bank
Bank Address: 720 Front Street
Santa Cruz, California 95060

All further payments shall be by wire transfer to the following account:

Bank Routing No.: 121139096
Bank Account No.: 04-50823-8
Bank Account Name: Glassey-McNeil Technologies
Bank Name: Coast Commercial Bank
Bank Address: 203 Mount Harmon Road
Scotts Valley, CA 95066

(f) Unless notified in a writing signed by GMT, GLASSEY and MCNEIL, and their legal counsel, changing the payees and/or destination of payment, DATUM will follow these instructions for all payments and will not be subject to liability for following such instructions.

3.2.1 Currency of Payments. All payments under this Agreement shall be made U.S. Dollars by wire transfer to such bank account as designated herein. Any payments due hereunder on Net Sales outside of the United States shall be payable in U.S. Dollars at the average of the rate of exchange of the currency of the country in which the Net Sales are made as reported in the New York edition of The Wall Street Journal, for the last three (3) business days of the period for which the royalties are payable.

3.2.2 Tax Withholding. If laws or regulations require the withholding of income taxes owed on account of royalties accruing under this Agreement, such taxes shall be deducted on a country-by-country basis by DATUM from such remittable royalty and will be paid by it to the proper taxing authority. Proof of payment shall be secured and sent to GMT/GLASSEY/MCNEIL as evidence of such payment.

3.2.3 Audit Rights re Royalty Payments: To the extent GMT/GLASSEY/MCNEIL in good faith dispute the amount of royalties to which they are entitled pursuant to this Agreement, GMT/GLASSEY/MCNEIL may request an inspection of DATUM's accounting records reflecting the calculation of Net Sales. Such request may be made once per year while Datum's royalty payment obligations continue under this Agreement. Unless such request is made within thirty (30) days of GMT/GLASSEY/MCNEIL's receipt of a royalty payment from DATUM, the right to audit that payment is waived. The inspection shall be made only by a Certified Public Accountant ("CPA"), subject to DATUM's approval, which will not unreasonably be withheld, and conditioned upon execution of a confidentiality agreement regarding the review of DATUM's records, which shall include, among other things, a provision which prohibits the disclosure by the CPA of any information disclosed, learned or reviewed during the audit to GMT/GLASSEY/MCNEIL except for the final calculation of the amount that the CPA contends DATUM owes under this Agreement. Unless otherwise mutually agreed to in writing, the inspection by the CPA shall take place at the law offices of Stradling, Yocca Carlson & Rauth in Newport Beach, California during normal business hours. No information inspected during the audit may be removed from the premises, other than that which is expressly permitted by this paragraph. For purposes of this audit, the CPA may review only the computer generated accounting records necessary to make a final calculation of royalties owed and shall not be given access to manufacturing documents, inventory records or any underlying invoices and records. GMT/GLASSEY/MCNEIL shall bear all its own costs and expenses incurred to conduct any audits. If the audit determines that an amount is owed by DATUM to GMT/GLASSEY/MCNEIL and that amount is within ten percent (10%) of the original amount paid by DATUM, GMT/GLASSEY/MCNEIL, or if the audit determines that no amount is owed, or if DATUM has overpaid, GMT/GLASSEY/DATUM shall also reimburse DATUM for all of DATUM's cost and expenses in handling any audit. DATUM shall have the right to offset any right to reimbursement under this provision from any future royalty payments.

3.3 Dismissal of Complaint: DATUM agrees to dismiss with prejudice the COMPLAINT within ten (10) days of the full execution of this Agreement.

3.4 Intellectual Property Rights Regarding the Protected Technology:

GMT/GLASSEY/MCNEIL disclaim any ownership in, or rights to, the Protected Technology and hereby acknowledge, represent and warrant that such Protected Technology is owned solely and exclusively by DATUM as its intellectual property, trade secrets and proprietary information. GMT/GLASSEY/MCNEIL agrees not to contest DATUM's ownership of any Protected Technology or the labeling of the Protected Technology as intellectual property, trade secrets, and/or proprietary information.

3.5 Other Agreements Superseded and Terminated: GMT/GLASSEY/MCNEIL further

agree that, with the exception of this Agreement, which supersedes the terms of any prior agreements of the parties, all terms of all other agreements between the parties including, but not limited to any consulting agreements between the parties, any confidentiality or non-disclosure agreements, any value added reseller agreements and any other express, implied or oral agreements are hereby terminated and hereafter void. The parties mutually agree that as between DATUM and GMT/GLASSEY/MCNEIL no provision of any agreement between the parties, other than this Agreement and the settlement agreement relating to the parties' prior co-inventor agreement, shall be deemed to survive.

3.6 Protection of DATUM's Trade Secrets and Proprietary Information: From the

execution date of this Agreement and at all times thereafter, GMT/GLASSEY/MCNEIL shall not, and shall not permit any representatives, agents, assigns or affiliates, to use or disclose to any person or entity any Protected Technology. GMT/GLASSEY/MCNEIL expressly agree, represent and acknowledge that they shall not engage in, or be associated with, any business which uses, in any manner, any Protected Technology.

3.7 Availability of Injunctive Relief: Given the nature of DATUM's business,

GMT/GLASSEY/MCNEIL's involvement in DATUM's business and in the formulation and implementation of its business plans and strategies relating to the Protected Technology, and GMT/GLASSEY/MCNEIL's direct involvement with DATUM clients, GMT/GLASSEY/MCNEIL acknowledge and agree that the covenants of GMT/GLASSEY/MCNEIL and the restrictions on GMT/GLASSEY/MCNEIL contained in this Agreement are reasonable and necessary in order to protect the legitimate interests of DATUM, and that any violation thereof by

GMT/GLASSEY/MCNEIL or any affiliates would result in irreparable injuries to DATUM, for which damages would not, in and of themselves be an adequate remedy. Therefore, GMT/GLASSEY/MCNEIL acknowledge and agree that, in the event of a violation or breach by GMT/GLASSEY/MCNEIL or any affiliates of any of the covenants or any of the restrictions contained in this Agreement, DATUM shall be entitled to obtain, from any court of competent jurisdiction, temporary, preliminary and permanent injunctive relief, in addition to any other rights or remedies to which DATUM may be entitled under applicable law or equitable principles, without the necessity on the part of DATUM of having to post a bond or other security and without thereby limiting any other rights and remedies, including the recovery of monetary damages, that DATUM may have hereunder or under applicable law by reason of such violation or breach.

3.8 Representation of Non-disclosure: GMT/GLASSEY/MCNEIL represent and warrant that they have not disclosed any Protected Technology to any party other than Datum, its employees, agents, representatives.

3.9 Communication with Datum: GMT/GLASSEY/MCNEIL agree to refrain from any contact or communication with DATUM or any affiliated entities, including any officers, employees, former employees, agents, or representatives of DATUM or its affiliated entities. All communication on behalf of GMT/GLASSEY/MCNEIL which is directed at DATUM, its employees, agents or representatives must be directed to DATUM's legal counsel: John F. Cannon, Esq., Stradling, Yocca, Carlson & Rauth, 660 Newport Center Drive, Suite 1600, Newport Beach, California, 92660-6441. Further, all such communications must be made by legal counsel for GMT/GLASSEY/MCNEIL who is designated as follows: Jason Book, Esq., Bosso, Williams, Sachs, Book, Attack & Gallagher, 133 Mission Street, Suite 280, Santa Cruz, California 95061-1822.

3.10 No Communication Regarding Datum: GMT/GLASSEY/MCNEIL agree that they will not discuss any aspect of DATUM, including but not limited to DATUM's business, officers, employees, former employees, representatives, affiliated entities, transactions, or products with any person or entity, other than as expressly contemplated by this Agreement.

3.11 Release of Claims:

3.11.1 GMT/GLASSEY/MCNEIL's Release of Claims Against DATUM: GMT, GLASSEY and MCNEIL, for themselves and for and on behalf of GMT and any affiliated or related entities, assigns and successors in interest, if any, now or in the future, hereby irrevocably release, forgive and discharge DATUM and all of its current and former officers, directors, shareholders, partners, agents, employees, representatives, affiliates, parent, subsidiaries, and related entities, assigns and successors in interest, if any, now or in the future (collectively, the "DATUM Parties"), from any and all claims, demands, contracts, causes of action, obligations, debts, liabilities of any kind or nature whatsoever, whether known or unknown, which they now have or may have in the future, against the DATUM Parties. This release expressly includes any claims for which DATUM would bear an obligation of indemnity, pursuant to contract statute or otherwise to the person against whom GMT/GLASSEY/MCNEIL would have a claim. This release may be asserted by any of the Datum Parties and shall be a complete defense to any claim for which Datum would bear an indemnity obligation. Notwithstanding the foregoing, DATUM's obligations under this Agreement are expressly excepted from the foregoing release.

3.11.2 DATUM's Release of Claims Against GMT/GLASSEY/MCNEIL: DATUM agrees and acknowledges that DATUM on behalf of itself and any affiliated or related entities, assigns and successors in interest, if any, hereby irrevocably releases, forgives and discharges GMT/GLASSEY/MCNEIL and all of its officers, directors, shareholders, partners, agents, employees, representatives, affiliates, parents, subsidiaries, and related entities, assigns and successors in interest, if any, now or in the future (collectively, the "GMT Parties"), from any and all claims, demands, contracts, causes of action, obligations, debts, liabilities of any kind or nature whatsoever, whether known or unknown, which they now have or may have in the future, including those claims stated in the COMPLAINT, against the GMT Parties. This release expressly includes any claims for which GMT/GLASSEY/MCNEIL would bear an obligation of indemnity because such claim arose during and out of GMT/GLASSEY/MCNEIL's employment of the person against whom DATUM would have a claim. Notwithstanding the foregoing, GMT/GLASSEY/MCNEIL's obligations under this Agreement are expressly excepted from the foregoing release.

3.12 Civil Code Section 1542: With respect to the matters herein stated as the subject of release, the parties hereto do hereby mutually waive and relinquish any and all rights which any of

them may have under the provisions of Section 1542 of the Civil Code of the State of California, which Section reads as follows:

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

3.13 Settlement of Claims Against DATUM: GMT/GLASSEY/MCNEIL agree and acknowledge that, upon performance of this Agreement, DATUM shall have no further obligations under any consulting agreements, non-disclosure agreements, value added reseller agreements or any other agreement with GMT/GLASSEY/MCNEIL and that GMT/GLASSEY/MCNEIL waive any claims or causes of action any of them may have against DATUM arising out of such agreements, including, but not limited to, claims for damages and claims for the return of any intellectual properties allegedly disclosed to DATUM by GMT/GLASSEY/MCNEIL.

3.14 Attorney's Fees: DATUM and GMT/GLASSEY/MCNEIL shall bear their own costs and attorneys' fees in connection with their respective disputes and claims settled herein.

3.15 Termination of Payment Obligation and Survival of Non-Payment Terms: The parties agree and acknowledge that DATUM's royalty payment obligations terminate after the royalty payment derived from the third year of the royalty. Notwithstanding the foregoing, all other terms of this Agreement will remain in full force and effect after termination of DATUM's payment obligations.

SECTION FOUR

WARRANTIES AND REPRESENTATIONS

4.1 The parties hereto warrant and represent that no promise or inducement has been offered or made for this Agreement except as herein set forth, that this Agreement is executed without reliance on any statements or any representations not contained herein, and that this

Agreement reflects the entire settlement among the parties. The attorneys of record warrant and represent that they are satisfied that their respective clients fully understand the effect, significance and consequence of this Agreement. The terms, acknowledgments, warranties and representations made herein shall survive the execution and delivery of this Agreement, and shall be binding upon the respective heirs, representatives, and assigns and successors of each of the parties and their attorneys.

SECTION FIVE
NO ADMISSION OF LIABILITY

5.1 The parties hereto acknowledge and agree that this Agreement is entered into as a mutual compromise and settlement which is not in any respect or for any purpose to be deemed or construed as an admission or concession of any liability whatsoever on the part of any of the parties hereto.

SECTION SIX
CONFIDENTIALITY

6.1 The parties agree that this Agreement and its terms are confidential. The parties further agree that the confidentiality of this Agreement and its terms is a material term of this Agreement without which the parties would not have consented to the Agreement. The parties expressly agree that they will not disclose or discuss the terms of this Agreement with any person. GMT/GLASSEY/MCNEIL shall notify DATUM's legal counsel, in writing, of the receipt of any request for the disclosure of any confidential information. GMT/GLASSEY/MCNEIL shall cooperate with the efforts of DATUM to quash such subpoena or other legal process or to obtain a protective order, as DATUM deems appropriate. The parties shall have the right to provide required information concerning this Agreement to investors and potential investors, and to Affiliates in order to enable them to carry out the activities contemplated hereunder and in connection with strategic business needs. Any such disclosure shall be pursuant to a separate agreement of confidentiality between DATUM or GMT/GLASSEY/MCNEIL and any such third parties.

6.2 The parties further agree to maintain the confidentiality of any document or information which has been or is designated as confidential, including Protected Technology.

SECTION SEVEN

ENFORCEMENT OF AGREEMENT

7.1 If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation arising out of or relating to any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

SECTION EIGHT
MISCELLANEOUS

8.1 This Agreement is subject to, governed by, and shall be construed in accordance with the laws of the State of California.

8.2 GMT/ GLASSEY/MCNEIL represent and warrant that they are the sole and rightful owners of the claims asserted in the dispute described in this Agreement and that any such claims have not been assigned or transferred to any unnamed party. DATUM represents and warrants that it is the sole and rightful owner of the claims asserted in the COMPLAINT and otherwise herein and that any such claims have not been assigned or transferred to any unnamed party.

8.3 This Agreement is enforceable and binding upon the parties hereto, their successors and assigns, and any agents or others under the control or direction of the parties. Moreover, both parties, as well as the signatories, hereby warrant and covenant that their respective representative signing this Agreement has full authority to bind the parties to the terms of this Agreement.

8.4 The parties may assign all rights and delegate all duties hereunder to an entity acquiring that portion of each parties' business to which this Agreement relates, or to any corporate successor by way of merger or consolidation, provided that the assignee delivers to DATUM or GMT/GLASSEY/MCNEIL, as appropriate, a statement that the assignee assumes the assigning party's obligations hereunder. GMT/GLASSEY/MCNEIL may assign its right to receive the royalty payments provided in paragraph 3.2 to any person or entity provided that DATUM receives notice in writing of such assignment signed by GMT, GLASSEY and MCNEIL.

8.5 This Agreement constitutes and contains the entire understanding and agreement of the parties and cancels and supersedes any and all prior negotiations, correspondence and understandings and agreements, whether verbal or written, between the parties respecting the subject matter hereof. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each of the parties.

8.6 The provisions of this Agreement are severable, and if one or more provisions should be determined to be judicially unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The provisions of this Agreement shall be construed as separate provisions covering their subject matter in each of the separate counties and states in the United States in which DATUM transacts its business; to the extent that any provision shall be judicially unenforceable in any one or more of those counties or states, that provision shall not be affected with respect to each other county or state, each provision with respect to each county and state being construed as severable and independent.

8.7 The parties agree to take any acts, and execute any further documents, that may be reasonably necessary to accomplish and effect the terms of this Agreement.

8.8 This Agreement may be executed in counterparts and by fax, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the undersigned on the dates below indicated.

Dated: November 14, 1999


TODD GLASSEY

Dated: November 19, 1999


MICHAEL MCNEIL

Dated: November 17, 1999


GLASSEY MCNEIL TECHNOLOGIES

Dated: November __, 1999


DATUM, INC.

APPROVED AS TO FORM AND CONTENT:

8.6 The provisions of this Agreement are severable, and if one or more provisions should be determined to be judicially unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The provisions of this Agreement shall be construed as separate provisions covering their subject matter in each of the separate countries and states in the United States in which DATUM transacts its business; to the extent that any provision shall be judicially unenforceable in any one or more of those countries or states, that provision shall not be affected with respect to each other country or state, each provision with respect to each country and state being construed as severable and independent.

8.7 The parties agree to take any acts, and execute any further documents, that may be reasonably necessary to accomplish and effect the terms of this Agreement.

8.8 This Agreement may be executed in counterparts and by fax, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the undersigned on the dates below indicated.

Dated: November 14, 1999


TODD GLASBEY

Dated: November 17, 1999


MICHAEL MONELL

Dated: November 17, 1999


GLASBEY MONELL TECHNOLOGIES

Dated: November 29, 1999

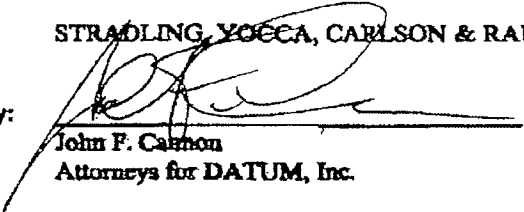

DATUM/INC

APPROVED AS TO FORM AND CONTENT:

Dated: November __, 1999

By:

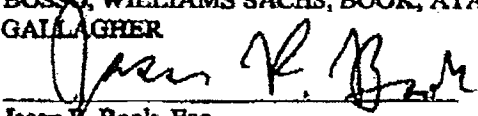
STRADLING, YOECCA, CARLSON & RAUTH


John F. Cannon
Attorneys for DATUM, Inc.

Dated: November 19, 1999

By:

BOSSO, WILLIAMS SACHS, BOOK, ATACK &
GALLAGHER


Jason R. Book, Esq.
Attorneys for Glassey-McNeil Technologies, Inc.
Todd Glassey, and Michael McNeil.

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EXHIBIT B

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Release ("Agreement") is entered into by and between DATUM, INC. ("DATUM") and DIGITAL DELIVERY INC. ("DDI"), on the one hand, and GLASSEY-MCNEIL TECHNOLOGIES ("GMT"), TODD GLASSEY ("GLASSEY") and MICHAEL E. MCNEIL ("MCNEIL") (collectively referred to as "GMT/GLASSEY/MCNEIL"), on the other hand.

SECTION ONE

BACKGROUND

1.1 GLASSEY and MCNEIL and DDI entered into a Co-Inventor Agreement, dated October 26, 1998 (the "Co-Inventor Agreement"), pursuant to which those parties agreed, on an interim basis, to certain rights and interests in intellectual property and to certain future payment obligations of DDI, pending the execution of a definitive agreement with respect to such intellectual property.

1.2 On or about July 29, 1999, DATUM consummated a merger whereby DDI became a wholly owned subsidiary of DATUM.

1.3 On or about August 20, 1999, DATUM filed a complaint (the "COMPLAINT") stating claims against GMT/GLASSEY/MCNEIL for, among other things, Breach of Contract, Breach of the Covenant of Good Faith and Fair Dealing, Misappropriation of Trade Secrets and Proprietary Business Information, Trade Label, Slander and Declaratory Relief.

1.4 DATUM, DDI and GMT/GLASSEY/MCNEIL desire to definitively resolve and terminate the interim arrangements arising from the Co-Inventor Agreement, to avoid the risks and expenses attendant upon litigation and to reach a mutual, full and final compromise and settlement of the parties' matters, claims, causes of action and the like with respect the Co-Inventor Agreement, the Assembly, Distribution and Use of Digital Information Patent, the Controlling Access Patent and the Phase II Technology (as defined below).

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1.5 This Settlement Agreement is a mutual and complete compromise between the parties and is intended as a complete and final resolution and settlement of the respective differences, positions and claims of DDI, DATUM and GMT/GLASSEY/MCNEIL, with respect the Co-Inventor Agreement, the Assembly, Distribution and Use of Digital Information Patent, the Controlling Access Patent and the Phase II Technology.

SECTION TWO

DEFINITIONS

2.1 The Assembly, Distribution and Use of Digital Information Patent: U.S. Patent No. 5,646,992 issued to DDI on July 8, 1997 for certain data and file protection and encryption technology. One of the products produced under this patent is called the Confidential Courier, which is described as an electronic transmittal envelope which can be opened only by specifically designated persons having the encoded passwords.

2.2 Controlling Access Patent: A US and certain foreign countries patent pending covering the expansion of technology covered by the Assembly, Distribution and Use of Digital Information Patent to include the new technology of geo-positioning and time/data encryption with respect to digital data and file assembly, distribution, use and access.

2.3 Phase II Technology - Phase II Technology refers to the method of authentication, encryption and transmission of date/time and/or location data for the purpose of linking together two or more disparate electronic components, such that a trust model is established between them. Such physical elements must individually be capable of computational and cryptographic functionality, but computationally may be isolated from one another. Such electronic components must be physically secure, and communicate with each other over communications channel(s) which may themselves be insecure.

SECTION THREE
TERMS OF SETTLEMENT

3.1 In consideration of the mutual covenants set forth herein, and in full settlement of the claims and causes of action asserted or held by DDI and/or GMT/GLASSEY/MCNEIL under the Co-Inventor Agreement, the parties agree as follows:

3.2 Assignment of Controlling Access Patent: GMT/GLASSEY/MCNEIL assign all rights, title and interest in the Controlling Access Patent and the application therefor, to DATUM.

3.3 Ownership of and License to Use Phase II Technology: DDI and DATUM acknowledges that GMT/GLASSEY/MCNEIL owns all rights, title and interest in the Phase II Technology, but GMT/GLASSEY/MCNEIL hereby grants DATUM a perpetual, non-exclusive, irrevocable, assignable, sub-licensable, worldwide license for use of the Phase II Technology and derivatives thereof, with rights to sublicense, in connection with the Confidential Courier product and other products and technology covered by the Controlling Access Patent.

3.4 Payment: DATUM will pay to GMT/GLASSEY/MCNEIL \$300,000 upon full execution of this Agreement. Payment shall be wired within 24 hours of execution as follows:

Bank Routing No. 121139096

Bank Account No. 01-49350-5

Bank Name: Coast Commercial Bank

Bank Address: 720 Front Street
Santa Cruz, California 95060

3.5 Dismissal of Complaint: DATUM agrees to dismiss with prejudice the COMPLAINT within ten (10) days of the full execution of this Agreement

3.6 Acknowledgment of Rights Under the Assembly, Distribution and Use of Digital Information Patent GMT/GLASSEY/MCNEIL disclaim and waive any rights to the Assembly,

Distribution and Use of Digital Information Patent and the technology described therein and agree not to make, use or sell any products developed using or derived from the Phase II Technology which also include the technology described in or covered by the Assembly, Distribution and Use of Digital Information Patent. GMT/GLASSEY/MCNEIL explicitly acknowledge that they had no participation in the invention or patent application process which resulted in the U.S. Patent No. 5,646,992 issued to DDI on July 8, 1997.

3.7 Co-Inventor Agreement Terminated. In addition and without duplication, upon the execution of this Agreement and payment of the amount specified in paragraph 3.4, above the Co-Inventor Agreement shall be terminated, and this Agreement shall be the only agreement of the parties with respect to the subject matter of the Co-Inventor Agreement and this Agreement. Such subject matter includes without limitation the future payment obligations and division of intellectual property rights set forth in the Co-Inventor Agreement. The parties hereto acknowledge and agree that the settlement payment constitutes the satisfaction in full of any claims by GMT/GLASSEY/MCNEIL for compensation of any kind pursuant to the Co-Inventor Agreement.

3.8 Availability of Injunctive Relief. GMT/GLASSEY/MCNEIL acknowledge and agree that the covenants of GMT/GLASSEY/MCNEIL and the restrictions on GMT/GLASSEY/MCNEIL contained in this Agreement are reasonable and necessary in order to protect the legitimate interests of DATUM, and that any violation thereof by GMT/GLASSEY/MCNEIL or any affiliates would result in irreparable injuries to DATUM, for which damages would not, in and of themselves, be an adequate remedy. Therefore, GMT/GLASSEY/MCNEIL acknowledge and agree that, in the event of a violation or breach by GMT/GLASSEY/MCNEIL or any affiliates of any of the covenants or any of the restrictions contained in this Agreement, DATUM shall be entitled to obtain, from any court of competent jurisdiction, temporary, preliminary and permanent injunctive relief, in addition to any other rights or remedies to which DATUM may be entitled under applicable law or equitable principles, without the necessity on the part of DATUM of having to post a bond or other security and without thereby limiting any other rights and remedies, including the recovery of monetary damages, that DATUM may have hereunder or under applicable law by reason of such violation or breach.

3.9 Release of Claims:

3.9.1 GMT/GLASSEY/MCNEIL's Release of Claims Against DATUM and DDI

GMT, GLASSEY and MCNEIL, for themselves and for themselves and for and on behalf of GMT and any affiliates, related entities, assigns and successors in interest, if any, now or in the future, hereby irrevocably release, forgive and discharge DATUM and DDI and all of their officers, directors, shareholders, partners, agents, employees, representatives, affiliates, parent, subsidiaries, and related entities, assigns and successors in interest, if any, now or in the future (collectively, the "Datum Parties"), from any and all obligations, responsibilities and liabilities relating to or arising out of the Co-Inventor Agreement against the Datum Parties. Notwithstanding the foregoing, DATUM's obligations under this Agreement are expressly excepted from the foregoing release.

3.9.2 DATUM's and DDI's Release of Claims Against

GMT/GLASSEY/MCNEIL: DATUM and DDI agree and acknowledge for themselves and for themselves and for and on behalf of DATUM and any affiliates, related entities, assigns and successors in interest, if any, now or in the future, that GMT/GLASSEY/MCNEIL are released and fully discharged from any and all obligations, responsibilities and liabilities to DATUM or DDI relating to or arising out of the Co-Inventor Agreement. Notwithstanding the foregoing, GMT/GLASSEY/MCNEIL's obligations under this Agreement are expressly excepted from the foregoing release.

3.9 Civil Code Section 1542: With respect to the matters herein stated as the subject of release, the parties hereto do hereby mutually waive and relinquish any and all rights which any of them may have under the provisions of Section 1542 of the Civil Code of the State of California, which Section reads as follows:

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

3.10 Attorney's Fees: DATUM, DDI and GMT/GLASSEY/MCNEIL shall bear their own costs and attorneys' fees in connection with their respective disputes and claims settled herein.

SECTION FOUR

WARRANTIES AND REPRESENTATIONS

4.1 The parties hereto warrant and represent that no promise or inducement has been offered or made for this Agreement except as herein set forth, that this Agreement is executed without reliance on any statements or any representations not contained herein, and that this Agreement reflects the entire settlement among the parties. The attorneys of record warrant and represent that they are satisfied that their respective clients fully understand the effect, significance and consequence of this Agreement. The terms, acknowledgments, warranties and representations made herein shall survive the execution and delivery of this Agreement, and shall be binding upon the respective heirs, representatives, and assigns and successors of each of the parties and their attorneys.

SECTION FIVE

NO ADMISSION OF LIABILITY

5.1 The parties hereto acknowledge and agree that this Agreement is entered into as a mutual compromise and settlement which is not in any respect or for any purpose to be deemed or construed as an admission or concession of any liability whatsoever on the part of any of the parties hereto.

SECTION SIX
CONFIDENTIALITY

6.1 The parties agree that this Agreement and its terms are confidential. The parties further agree that the confidentiality of this Agreement and its terms is a material term of this Agreement without which the parties would not have consented to the Agreement. The parties expressly agree that they will not disclose or discuss the terms of this Agreement with any person. GMT/GLASSEY/MCNEIL shall notify DATUM's legal counsel, in writing, of the receipt of any request for the disclosure of any confidential information. GMT/GLASSEY/MCNEIL shall cooperate with the efforts of DATUM to quash such subpoena or other legal process or to obtain a protective order, as DATUM deems appropriate. The parties shall have the right to provide required information concerning this Agreement to investors and potential investors, and to Affiliates in order to enable them to carry out the activities contemplated hereunder and in connection with strategic business needs. Any such disclosure shall be pursuant to a separate agreement of confidentiality between DATUM or GMT/GLASSEY/MCNEIL and any such third parties.

6.2 The parties further agree to maintain the confidentiality of any document or information which has been or is designated as confidential.

SECTION SEVEN
ENFORCEMENT OF AGREEMENT

7.1 If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation arising out of or relating to any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

SECTION EIGHT
MISCELLANEOUS

8.1 This Agreement is subject to, governed by, and shall be construed in accordance with the laws of the State of California.

8.2 GMT/ GLASSEY/MCNEIL represent and warrant that they are the sole and rightful owners of the claims asserted in the dispute described in this Agreement and that any such claims have not been assigned or transferred to any unnamed party. DATUM and DDI represent and warrant that DATUM is the sole and rightful owner of the claims asserted in the COMPLAINT and otherwise herein and that any such claims have not been assigned or transferred to any unnamed party.

8.3 This Agreement is enforceable and binding upon the parties hereto, their successors and assigns, and any agents or others under the control or direction of the parties. Moreover, both parties, as well as the signatories, hereby warrant and covenant that their respective representative signing this Agreement has full authority to bind the parties to the terms of this Agreement.

8.4 The parties may assign all rights and delegate all duties hereunder to an entity acquiring that portion of each parties' business to which this Agreement relates, or to any corporate successor by way of merger or consolidation, provided that the assignee delivers to DATUM or GMT/GLASSEY/MCNEIL, as appropriate, a statement that the assignee assumes the assigning party's obligations hereunder.

8.5 This Agreement constitutes and contains the entire understanding and agreement of the parties and cancels and supersedes any and all prior negotiations, correspondence and understandings and agreements, whether verbal or written, between the parties respecting the subject matter hereof. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each of the parties.

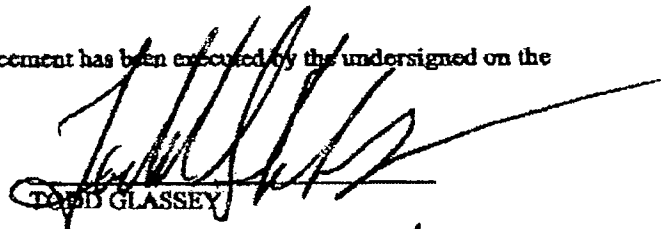
8.6 The provisions of this Agreement are severable, and if one or more provisions should be determined to be judicially unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The provisions of this Agreement shall be construed as separate provisions covering their subject matter in each of the separate counties and states in the United States in which DATUM transacts its business; to the extent that any provision shall be judicially unenforceable in any one or more of those counties or states, that provision shall not be affected with respect to each other county or state, each provision with respect to each county and state being construed as severable and independent.

8.7 The parties agree to take any acts, and execute any further documents, that may be reasonably necessary to accomplish and effect the terms of this Agreement.

8.8 This Agreement may be executed in counterparts and by fax, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the undersigned on the dates below indicated.

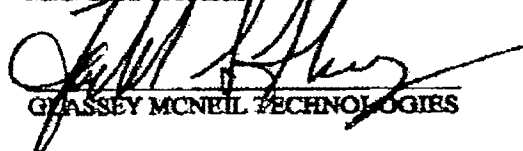
Dated: November 18, 1999


TODD GLASSEY

Dated: November 19, 1999


MICHAEL MCNEIL

Dated: November 14, 1999


GLASSEY MCNEIL TECHNOLOGIES

Dated: November __, 1999

DATUM, INC.

Dated: November __, 1999

DIGITAL DELIVERY, INC.

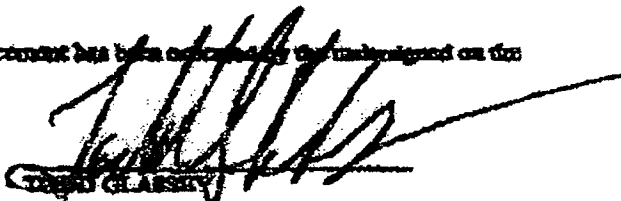
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IN WITNESS WHEREOF, this Agreement has been executed by the undersigned on the dates below indicated.

Dated: November 19, 1999


THOMAS GLASER

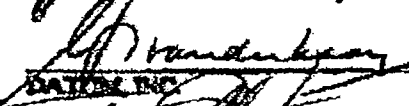
Dated: November 19, 1999


MICHAEL MCNEIL

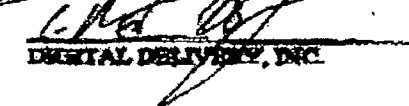
Dated: November 19, 1999


GREGORY MCNEIL, VICE PRESIDENT

Dated: November 29, 1999

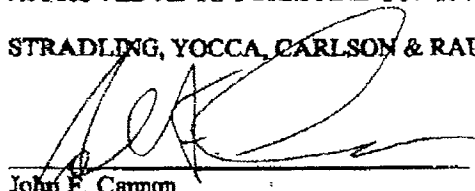

DATUM, INC.

Dated: November 29, 1999


DIGITAL DELIVERY, INC.

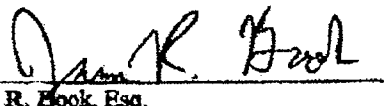
APPROVED AS TO FORM AND CONTENT:
STRADLING, YOCCA, CARLSON & RAUTH

Dated: November __, 1999 By:


John F. Cannon
Attorneys for DATUM, Inc. and Digital Delivery Inc.

BOSSO, WILLIAMS SACHS, BOOK, ATTACK &
GALLAGHER

Dated: November 19, 1999 By:


Jason R. Book, Esq.
Attorneys for Glassey-McNeil Technologies, Inc.
Todd Glassey, and Michael McNeil.